

**United States District Court
Southern District Of Texas
Houston Division**

Columbia Pictures Industries, Inc. and Sony
Pictures Consumer Products Inc.,

Plaintiffs,

v.

Rick's Cabaret International, Inc.,
RB Restaurants, Inc., and
Does 1 Through 50,

Defendants.

Civil Action No.: _____

Jury Trial Demanded

PLAINTIFFS' ORIGINAL COMPLAINT

Plaintiffs Columbia Pictures Industries, Inc. and Sony Pictures Consumer Products Inc., by and through their counsel, Reed Smith LLP, for their Complaint against defendants Rick's Cabaret International, Inc. and RB Restaurants, Inc. allege, on knowledge as to their own actions, and otherwise upon information and belief, as follows.

I. INTRODUCTION

1. Plaintiffs are the exclusive owners and licensors of the trademarks and other intellectual property rights associated with the NASCAR¹/professional motor sports-themed hit motion picture entitled *Talladega Nights: The Ballad of Ricky Bobby* (the "Picture"). In an effort to trade off of Plaintiffs' established good will, and in direct violation of Plaintiffs' exclusive federal and state trademark rights, Defendants created and are operating a "Talladega

¹ The acronym "NASCAR" stands for National Association for Stock Car Auto Racing.

Nights”/”Ricky Bobby”/professional motor sports themed *Ricky Bobby* restaurant based on intellectual property elements that are uniquely identifiable with the Picture. Given the resultant marketplace confusion and harm, as alleged more fully below, Plaintiffs seek injunctive and monetary relief from Defendants for unfair competition, dilution, unlawful domain name registration, trademark infringement, and unjust enrichment.

II. PARTIES, JURISDICTION, AND VENUE

2. Plaintiff Columbia Pictures Industries, Inc. (“CPII”) is a corporation organized and existing under the laws of the State of Delaware with its principal place of business located in Culver City, California.

3. Plaintiff Sony Pictures Consumer Products Inc. (“SPCP”) is a corporation organized and existing under the laws of the State of Delaware with its principal place of business located in Culver City, California.

4. Defendant Rick’s Cabaret International, Inc. (“RCII”) is a corporation organized and existing under the laws of the State of Texas with its principal place of business located in Houston, Texas. RCII is the parent company of Defendant RB Restaurants, Inc.

5. Defendant RB Restaurants, Inc. (“RB Restaurants”) is a corporation organized and existing under the laws of the State of Texas with its principal place of business located in Houston, Texas.

6. This court has original jurisdiction under 28 USC § 1332, in that it is a civil action between citizens of different states in which the matter in controversy exceeds, exclusive of costs and interest, \$75,000.

7. This Court also has jurisdiction over this action pursuant to 15 U.S.C. § 1121, 28 U.S.C. §§ 1331, and 1338 because Plaintiffs’ claims for relief alleged herein arise under the laws

of the United States—specifically, 15 U.S.C. §§ 1116, 1117, 1119, and 1125, which relate to trademarks—and pursuant to the principles of supplemental jurisdiction under 28 U.S.C. § 1367.

8. Venue is proper in this District pursuant to 28 U.S.C. § 1391(b)(1), because both of the Defendants are residents of this District.

9. CPII and SPCP (“Plaintiffs”) are informed and believe, and on that basis allege, that at all times relevant hereto, RCII and RB Restaurants (“Defendants”) and other unidentified parties were the owners, shareholders, agents, servants, employees, partners or co-venturers of each other, and in doing the acts alleged herein, each was acting within the course and scope of such ownership, control, agency, service, employment, partnership or venture.

10. Plaintiffs are informed and believe, and on that basis allege, that the Defendants identified as DOES 1-50 are in some manner legally responsible for the damages and/or other things alleged herein. Plaintiffs are currently unaware of the true names and/or capacities of DOES 1-50 and, therefore, sue them in a fictitious manner. Plaintiffs will amend their Complaint upon ascertaining their identities.

III. FACTUAL BACKGROUND

A. Columbia Pictures

11. CPII is the owner of all right, title, and interest, including all copyright, trademark, service mark, and other intellectual property rights in and to the Picture (the “Property IP”). SPCP is CPII’s exclusive licensor of the Property IP. (CPII and SPCP are, at times, collectively referred to herein as “Columbia Pictures”).

12. Columbia Pictures, a division of Sony Pictures Entertainment Inc. (a leading motion picture studio), develops, produces, and distributes motion pictures and other entertainment products throughout the world. Columbia Pictures has released scores of highly successful motion pictures, including the *Spider-Man* and *Men in Black* franchises, the three

most recent James Bond films, *Casino Royale*, *Quantum of Solace*, and *Skyfall*, and the critically acclaimed dramas *Zero Dark Thirty* and *American Hustle*. Through its many years at the forefront of Hollywood entertainment, Columbia Pictures has built up a considerable cache of goodwill and a deserved reputation for producing and distributing critically acclaimed, high quality motion pictures and other entertainment products.

13. Columbia Pictures has long been associated with comedic entertainment, dating back to *The Three Stooges* shorts of the 1930s and '40s, among many other early notable properties. In the 1980s, Columbia Pictures' comedy hits continued with releases such as *Tootsie* and *Ghostbusters*. More recently, Columbia Pictures has released additional comedies featuring cast members of the Picture, including Will Ferrell and John C. Reilly, in motion pictures like *Step Brothers*, *The Other Guys*, *Stranger Than Fiction*, and *Walk Hard: The Dewey Cox Story*, and has produced and/or distributed other hit comedies including *Grown Ups*, the *Pink Panther* series, *Superbad*, *Deuce Bigalow: European Gigolo* and *Bad Teacher*.

B. Talladega Nights: The Ballad of Ricky Bobby

About the Picture

14. Columbia Pictures developed, produced, and distributed the Picture, a PG-13-rated, entirely original comedic motion picture, starring Will Ferrell and John C. Reilly. As the title suggests, the Picture tells the tale of "Ricky Bobby," a wholly-original, fictitious character who literally was brought into this world in a fast car and then never stopped trying to "go fast" in pursuit of his dream to become the world's number one professional race-car driver. With the help and frequently at the expense of his best friend,² sidekick, and fellow NASCAR driver, Cal Naughton, Jr. (played by John C. Reilly), Ricky Bobby goes from pit-crew member to NASCAR

² As childhood friends, Ricky and Cal developed nicknames for each other, "Shake and Bake." They frequently quote this catchphrase in dialogue throughout the Picture, even as adults.

champion driver. By teaming up with Cal, Ricky Bobby is able to win race after race by executing their signature “slingshot” maneuver that “shoots” Ricky past the lead car into first place, while Cal finishes second. A driving force in Ricky Bobby’s quest to be Number One—and a central theme of the Picture—is the advice his estranged father, a former race car driver himself, gave to Ricky the one time he visited him as a child: “If you’re not first, you’re last.”

15. Ricky Bobby succeeds in becoming the Number One NASCAR driver, earning him fame, fortune, a “smokin’ hot” wife, and their two incorrigible sons named Walker and Texas Ranger. When maternal grandfather, Chip, tries to reprimand Texas Ranger, he dismissively tells him off, threatening, “Chip, I’m gonna come at you like a spider monkey!” to which Cal eggs on Texas Ranger saying “like a spider monkey, go on!”

16. When he first starts racing, Ricky Bobby’s race car is sponsored by the manufacturer of the fictional “Laughing Clown” brand malt liquor. Later, during his glory days, he drives a white race car endorsed by Wonder Bread.

17. Ricky Bobby’s luck takes a turn for the worse when he loses a race due to a crash caused by his nemesis, the flamboyant French Formula One driver Jean Girard, played by Sacha Baron Cohen. Ricky escapes without physical injury, but he is emotionally crushed by the loss and becomes paralyzed by fear as a result of the crash. Unable to race, he falls from glory, loses his mansion and his wife to his friend Cal—who, with Ricky out of the way, takes over as the Number One driver. When Ricky Bobby and his sons are forced to move back in with his mother, his father re-emerges and helps Ricky overcome his fears. Ricky Bobby eventually comes to understand he is not paralyzed and finds the courage to get back on the track after his father forces him to conquer his fears by driving while a live cougar sits beside him in the passenger seat. He then faces off against Girard in the Talladega 500 and takes the checkered

flag while driving a distinctive yellow and black Chevrolet Monte Carlo. Devoid of corporate endorsements, the car bears the cougar's likeness on the hood and features a decal of the word "Me" (a reference to Ricky Bobby himself) on the side.

18. Columbia Pictures released the Picture in theaters across the United States on or about August 4, 2006. It quickly reached Number One at the Box Office. The Picture subsequently was released worldwide, including in Mexico, Europe (the United Kingdom, Switzerland, France, Germany, Italy, and Sweden, among others), Asia (Singapore, Israel, and the Philippines), and South America (including Argentina and Colombia). It was released on Blu-Ray on November 17, 2006 and on standard DVD in the United States on December 12, 2006.

19. The Picture earned \$47,042,215 during its opening weekend, the second-highest opening weekend in history for an original comedy. It was the biggest opening for a Will Ferrell movie. In total, it grossed approximately \$163 Million in worldwide theatrical box office receipts and, in the seven years since its video release, it has generated approximately \$161,000 Million in DVD sales worldwide.

20. In addition to its widespread popularity among consumers, the Picture was nominated for a number of awards and won several others, including an ESPY for Best Sports Movie, an MTV Movie Award for Best Kiss, and a Teen Choice Award.

21. As further testament to its enduring popularity, the Picture continues to be shown on pay television channels and on basic cable stations, including most recently on TBS and Comedy Central. As an illustration of its widespread appeal, the Picture has generated revenues from broadcast television licensing at a rate of approximately \$3.45 Million per year since July 2011, which is expected to continue through December 2014. Thereafter, exhibition on Pay TV

is expected to generate over \$2 Million per year. Columbia Pictures anticipates that it will continue to license the Picture on similar terms in the future.

The Property IP

22. As a result of its widespread, continuous, and exclusive use of the Property IP to identify its Picture and Columbia Pictures as their source, Columbia Pictures owns valid and subsisting federal statutory and common law rights to the Property IP.

23. Columbia Pictures has spent considerable time, money and effort to promote the Property and has chosen to license the Property IP selectively to third party licensees pursuant to conditions and controls acceptable to Columbia Pictures. For example, Columbia Pictures authorized NASCAR driver Kurt Busch's use of the "Me" car image and likeness in 2012 for use of a replica of the "hero" movie car at a NASCAR race at Talladega Motor Speedway. And in 2013, Columbia Pictures approved a Wonder Bread-sponsored³ car, again driven by Busch, in another nod to the Picture.

24. The Property IP has also been licensed to selected distributors for purposes of continued DVD and Video On Demand ("VOD") distribution and to manufacturers of branded merchandise, including T-shirts, posters, and toy replica race cars.

25. Columbia Pictures carefully chooses its licensees to maintain the quality and images associated with its properties. As a direct result of such protective measures, Columbia Pictures has been able to generate substantial value and goodwill in the Property throughout the United States and abroad.

26. The Property IP includes at least the following marks: (1) the names "Talladega Nights" and "Ricky Bobby" used in combination with one another; (2) the line "If you're not

³ Until this time, Wonder Bread had not been a NASCAR sponsor. The company's "endorsement" was only used for the Picture.

first, you're last" from the Picture; (3) the line "Chip, I'm gonna come at you like a spider monkey" (including all derivations thereof); and (4) Ricky Bobby's "Me" Chevrolet Monte Carlo (collectively, the "Infringed Marks"). Should Columbia Pictures discover additional infringement of protectable marks associated with the Picture or any of its other properties by Defendants, Columbia Pictures reserves the right to amend its complaint to supplement this list.

27. In connection with promoting the Property, and making it available to potential customers, Columbia Pictures maintains an Internet website on the World Wide Web under the domain name "www.rickybobby.com." Columbia Pictures registered its www.rickybobby.com domain name with Markmonitor, Inc. on August 8, 2005, before the release of the Picture.

C. RCII and Rick's Cabaret

28. RCII is a publicly-traded corporation (NASDAQ GM: RICK) engaged in the ownership and operation of adult entertainment venues, primarily nightclubs. Through its several subsidiaries, it owns and operates over forty nightclubs all over Texas and outside the of state in North Carolina, Minnesota, New York, Florida, Pennsylvania, Arizona, Indiana, Louisiana, and California under various brands: Rick's Cabaret (9 clubs), XTC Cabaret (6 clubs), Club Onyx (4 clubs), Tootsie's Cabaret (1 club), Temptations (3 clubs) and Jaguars Club (10 clubs), among others.

29. When RCII began in 1994, it endeavored to change the existing landscape of adult entertainment venues, many of which were in bad taste and, they felt, made well-heeled businessmen uncomfortable. RCII's clubs feature semi-nude (i.e., topless) female entertainers who cater to affluent businessmen and aim to offer "a unique quality entertainment environment" combining upscale food choices such as steak and lobster, extensive wine lists, a focus on customer service, and "quality" adult entertainment, specifically in the areas of personal appearance, personality and ability to present themselves "attractively." See Exhibit "A" at pp.

4-5 [RCII's Q4 2011 10-Q]. As described in RCII's 2011 10-Q, period ending September 30, 2011: "We prefer that performers who work at our clubs be experienced entertainers. We make a determination as to whether a particular applicant is suitable based on such factors of appearance, attitude, dress, communication skills and demeanor. . . . The environment is carefully monitored for music selection, volume, entertainer and waitress appearance and all aspects of customer service on a continuous basis." *Id.*

30. In addition to its adult entertainment venues, RCII also operates websites featuring adult content, a dating site catering to "swingers" (CouplesTouch.com), and an online auction forum where people can bid on and purchase erotica and other adult items (NaughtyBids.com). RCII publishes a trade publication, owns two adult entertainment industry trade shows, two other industry trade publications, and more than 25 industry websites.

31. At the end of the 2013 fiscal year, RCII boasted over \$112 Million in revenue, up from \$95 Million the previous year, and had upwards of 1,200 employees.

32. In 2013, RCII began to expand its operations beyond adult entertainment venues by opening a military-themed restaurant and sports bar called "Bombshells" that features drinks and food items called the "Platoon Platter," "Bomb Poppers," the "Pearl Harbor," the "Flying Tiger," and "Soldiers Breakfast." The patio-style restaurant "offers an exciting atmosphere, great food, live entertainment and a great location with plenty of parking." While live bands perform a few times a week and the restaurant hosts regular "watch parties" at which patrons gather at the restaurant to watch televised sporting events, at "Bombshells" it is clear that the wait staff is also part of the "entertainment." Attractive female waitresses dress in a "uniform" of spaghetti-strap tank tops featuring the "Bombshells" logo, bullet belts, camouflage "daisy duke"-style shorts, and knee-high combat boots. Accordingly, these types of bar-restaurants

among others including “Hooters” and “Twin Peaks,” are colloquially referred to by RCII and have become known in the restaurant industry as “breastaurants” (“Male-Oriented Entertainment Restaurants.”)

33. In a September 4, 2013 press release, President and CEO of RCII, Eric Langan, announced the company’s aggressive expansion plans for this brand, citing the “terrific success” of the initial location in Dallas and stating it was “considering other potential sites and will announce them as they materialize.” *See* Exhibit “B.” True to this promise, RCII opened a second “Bombshells” location in Webster, Texas on January 29, 2014. *See* Exhibit “C.” And, in its 10-Q for the fourth quarter of 2013, attached hereto as Exhibit “D,” RCII announced it will be adding three more “Bombshells” Male-Oriented Entertainment Restaurants in 2014, to total five such restaurants throughout Texas.

D. Ricky Bobby Sports Saloon & Restaurant

34. Patterned after its successful “Bombshells” Male-Oriented Entertainment Restaurants concept, RCII recently opened a NASCAR/professional motor sports-themed restaurant, sports bar, and entertainment establishment in Fort Worth, Texas named “Ricky Bobby Sports Saloon & Restaurant” (the “Establishment”).⁴ The Establishment is operated by one of RCII’s subsidiaries, RB Restaurants (collectively, “Rick’s”). The Establishment is located a short distance from the Texas Motor Speedway at 2200 NE Loop 820, Fort Worth, Texas. The Establishment features television screens, live music and other events. At the Establishment, waitresses are known as “Smokin’ Hotties” (a direct reference to the wife of the Picture’s fictional Ricky Bobby character, who repeatedly refers to his spouse as his “Smokin’ Hot Wife”). The waitresses wear midriff- and cleavage-bearing “custom” crop tops and short

⁴ The Picture was produced with the approval of and under license from NASCAR.

skirts. As the Establishment's website boasts, "Ricky Bobby hotties, wear[] their specially designed uniforms to show off their curves."

35. Columbia Pictures is informed and believes that RCII intends to expand the Establishment into a chain of NASCAR/professional motor sports themed "Ricky Bobby" Male-Oriented Entertainment Restaurants in the same manner as it has with its adult entertainment venues, and just as it has already begun to do with its "Bombshells" brand venues. To that end, RCII has made public statements that they "continue to expand these non-adult concepts. . . . [N]ow as we move forward with Ricky Bobby's, if the Ricky Bobby Sport[s] Bar continues to grow we can develop that format as well." Exhibit "E" at p. 4 [RCII Q3 2013 Earnings Conference Call and Webcast]. RCII "expects to have a total of 10 sports bar/restaurants open or in development by year end calendar 2014, with a cluster in Texas and others possibly outside the state in select cities having significant tourist and convention traffic." Exhibit "F" [RCII Q1 2014 Results Investor Press Release].

36. Rick's operates an internet web site under the domain name "www.rickybobbyftw.com." Various pages of Defendants' web site use and contain Property IP. Defendants first used the www.rickybobbyftw.com domain name in April 2013.

37. Rick's first registered the www.rickybobbyftw.com domain name with GoDaddy.com, LLC on April 25, 2013. The registration was effected by Travis Reese, Director/Executive Vice President, and an officer, of RCII.

38. Rick's www.rickybobbyftw.com web site is available to consumers throughout the United States, including Texas, 24 hours every day. Defendants' www.rickybobbyftw.com web site includes one or more pages that actively solicit visitors to the web site to purchase goods and services.

39. Rick's also has registered a service mark for "Ricky Bobby Sports Saloon" with the U.S. Patent and Trademark Office, Registration No. 4419127. The application for this service mark was filed December 7, 2011 and the mark was registered on October 15, 2013. The Registrant is listed as "Rick's Cabaret International, Inc. TA Ricky Bobby's Sports Saloon [sic] Corporation Texas." The registration states that "[t]he name 'Ricky Bobby' does not identify a living individual."

E. Trademark Infringement

40. Rick's is actively using Columbia Pictures' unregistered marks in the Establishment, on its website, in its domain name, and in its service mark. First and foremost is the name "Ricky Bobby Sports Saloon & Restaurant" which Rick's obviously chose to trade on the Picture's recognizable, protectable elements. As described above, the name "Ricky Bobby," the popular fictional character developed by Columbia Pictures and subtitle of the Picture, has become uniquely identified with the Picture when used in association with NASCAR and professional motor sports. The name "Ricky Bobby" thereby has acquired secondary meaning and strong association with the Property IP and Columbia Pictures, as Rick's concedes. Indeed, James Watkins, a representative of Rick's, characterized the Establishment as a "play off" of the Picture in a July 29, 2013 article in the Dallas Observer. *See* Exhibit "G." The article further indicates that Rick's knowingly used the name "Ricky Bobby" as a direct reference to the Picture, based on an erroneous belief that "proper names can't be trademarked."⁵ *Id.* Moreover, while consumers readily associate the name "Ricky Bobby" with the Picture and Columbia Pictures, they are even more likely to form the belief that Columbia Pictures is the source, origin, sponsor, and/or endorser of, or is otherwise affiliated with, products or services that use the name

⁵ James is also paraphrased as admitting that use of direct quotes from the Picture, as Rick's has done, constitutes trademark infringement. *See* Exhibit "G."

“Ricky Bobby” in conjunction with NASCAR (or other references to professional motor sports) and distinct elements of the Property and/or memorable dialogue from the Picture.

41. Cognizant of the strength of the “Ricky Bobby” mark and its affiliation to the Picture and Columbia Pictures, the Establishment not only bears the name “Ricky Bobby” but also features a full-size replica race car that is nearly identical to the Chevrolet Monte Carlo race car driven by the Ricky Bobby character in the Picture as his “Me” comeback car. *Compare* Exhibit “H” *with* Exhibit “I.”



The underlying color scheme and paint design, involving a yellow top, black main body, and red side bottom panel is identical on both cars. *Id.* Additionally, the Establishment’s car bears the restaurant name, “Ricky Bobby Sports Saloon & Restaurant,” in white letters along the black rear side panel. Likewise, the car used in the Picture depicts the word “Me”—a reference to Ricky Bobby’s name and a joke from the movie—also in white lettering on a black background in the same place on the car. *Id.* This striking, and confusing, resemblance is intended to and succeeds in creating a direct connection between the Establishment and the Picture in the minds of patrons before they even enter the structure.

42. Once inside the Establishment, patrons are further reminded of its association with the Picture by displays with the phrase “If you ain’t first . . .,” a direct reference to the

Ricky Bobby character's lifelong mantra and one of the Picture's most memorable lines, "If you ain't first, you're last." *See* Exhibit "J."

43. The Establishment's menu also reinforces its association with the Picture with drink items such as "Talledega (sic) Punch" and another named "Comin' at Ya Like a Spider Monkey" (an obvious reference to the Texas Ranger character's notable line from the Picture, "Chip, I'm gonna come at you like a Spider Monkey"). Rick's has indicated that this drink name was removed from the menu on or about November 27, 2013; however, it still appears on the version of the menu available on the Establishment's website. Regardless, a belated menu change does not cure the several months of trademark infringement from which Rick's has profited, to Columbia Pictures' substantial injury, nor will it eliminate the confusion Rick's already has succeeded in creating between the Picture and the Establishment in the minds of consumers.

44. Rick's unauthorized use of Columbia Pictures' marks and Property IP has confused and will continue to confuse consumers, as demonstrated by individuals' posts of scene stills and quotations of memorable lines from the Picture as comments in response to posts by the company on the Establishment's official Facebook page. *See* Exhibit "K." Further, Rick's has admitted it *intended* to confuse consumers about the association between the Establishment and the Picture by "playing off" of the Picture. Regardless of actual confusion, Rick's has also tarnished and diluted the reputation of Columbia Pictures' famous marks and Property IP by associating them with adult entertainment.

45. Rick's did not approach Columbia Pictures for a license or other permission to use the Property IP or protectable marks from the Picture in any manner prior to building and opening the Establishment, or in the roughly seven months since it opened. Rick's simply began

using the Property IP without permission, depriving Columbia Pictures of that right, and has damaged the value of the Property IP by using it in conjunction with its Male-Oriented Entertainment Restaurant format and concept.

CAUSES OF ACTION

F. COUNT I – FEDERAL UNFAIR COMPETITION (15 U.S.C. § 1125(a))

46. Columbia Pictures repeats and re-alleges each and every allegation contained in the preceding paragraphs of this Complaint, and incorporates them herein by reference.

47. Since the Picture was created, marketed, and released by Columbia Pictures, it has continuously used the Property IP, including the Infringed Marks (as identified and discussed above) to identify and distinguish the Picture from other motion pictures and products created, manufactured, and/or sold by others and to indicate that Columbia Pictures is the source of the goods. Accordingly, Columbia Pictures is the owner of legally protected trademarks as that term is defined in 15 U.S.C § 1127. Columbia Pictures' marks are very well-known and capable of distinguishing its goods from those of other businesses.

48. Although unregistered, the Infringed Marks are legally protectable because Columbia Pictures has been continuously using them to identify and distinguish its Picture from goods or products manufactured, sold, or produced by others since at least 2006 when the Picture was released.

49. The Property IP, including the Infringed Marks, is nonfunctional in that it serves no purpose other than identification of source, origin, or sponsorship.

50. Columbia Pictures' Property IP, including the Infringed Marks, is descriptive and has acquired a secondary meaning through the following:

- a. Since the Picture was released in 2006, Columbia Pictures and its exclusive licensees have extensively and continuously promoted and distributed the Picture,

including the Property IP, and in particular the Infringed Marks, throughout the United States and worldwide. As an example, Columbia Pictures authorized promotional use of the “Me” and “Wonder Bread” car marks by NASCAR driver Kurt Busch in 2012 and 2013. In addition, Columbia Pictures continues to sell toy replicas of the “Me” and “Wonder Bread” cars from the Picture and to distribute the Picture on video, television and VOD through its licensees. Further, due to the uniqueness and continuing popularity of the Picture among members of the public, the Property IP has become a famous, well-known symbol of Columbia Pictures’ brand.

- b. As described above, the Picture has grossed at least \$210,179,050 since its release in 2006. Columbia Pictures continues to generate revenue from this Property.
- c. Rick’s itself has indicated it believes the Property IP, including the Infringed Marks, has secondary meaning. *See* Exhibit “G.”
- d. Patrons of the Establishment have indicated that they associate the Property IP, including the Infringed Marks, with the Picture, by commenting on the Establishment’s Official Facebook page. *See* Exhibit “K.”

51. Rick’s distribution, marketing, promotion, and use of Columbia Pictures’ Property IP, in particular the Infringed Marks, is likely to cause confusion, mistake, or deception as to the source, affiliation, sponsorship, or authenticity of Defendants’ goods and services. As a result of Rick’s unauthorized use of Infringed Marks that are identical to and/or confusingly similar to Columbia Pictures’ marks, the public is likely to believe that the Establishment is approved by or affiliated with Columbia Pictures. In fact, individuals visiting the Establishment’s Facebook page have demonstrated their *actual confusion*. Further, Rick’s admitted that it intended to

confuse consumers about the association between the Establishment and the Picture by “playing off” of the Picture. *See* Exhibit “G.”

52. Consequently, Columbia Pictures’ ability to generate revenue through exploitation of its own marks has been limited. Moreover, CPII exclusively owns the rights to develop sequels, spin-offs and other derivative works of the Picture and its underlying rights, the value of which have been substantially impaired and diminished due to Rick’s acts of infringement, tarnishment, and other unauthorized use of the Property IP.

53. Rick’s unauthorized use of the Infringed Marks and Property IP falsely represents the Establishment and its related products as emanating from or being authorized by Columbia Pictures. It also places the quality of products bearing Columbia Pictures’ Infringed Marks, overall message associated with them, and products bearing the Infringed Marks beyond Columbia Pictures’ control.

54. Rick’s distribution, marketing, promotion, and commercial use of the Infringed Marks and Property IP, including without limitation the name “Ricky Bobby,” the symbol and likeness of Ricky Bobby’s “Me” car, and memorable lines from the Picture, constituted false designations of origin and false descriptions or representations that the Establishment’s use of elements from the Picture was authorized by Columbia Pictures, when in fact they were not.

55. Rick’s unauthorized use of the Infringed Marks and Property IP as alleged herein is likely to mislead, deceive, and/or cause confusion among consumers as to the source, sponsorship, connection, association, or affiliation of the Establishment.

56. Rick’s unauthorized use in commerce of the Infringed Marks and Property IP as alleged herein further constitutes a false designation of origin and a misleading description and representation of fact.

57. Rick's conduct was willful and is intended to and is likely to cause confusion, mistake, or deception as to the affiliation, connection, or association of Rick's with Columbia Pictures and/or with the Picture.

58. Rick's conduct as alleged herein is intended to and is likely to cause confusion, mistake, or deception as to the origin, source, sponsorship, or affiliation of the Establishment.

59. Rick's conduct was willful, intended to reap the benefit of Columbia Pictures' goodwill, and constitutes unfair competition in violation of Section 43(a)(1)(A) of the Lanham Act, 15 U.S.C. § 1125(a).

60. Rick's wrongful conduct as alleged herein is causing immediate and irreparable harm and injury to Columbia Pictures, and to its goodwill and reputation, and will continue to both damage Columbia Pictures and confuse the public unless restrained or enjoined by this Court. Columbia Pictures has no adequate remedy at law because, among other things, (a) Columbia Pictures' Property IP, including its Infringed Marks, is unique and valuable property which has no readily determinable market value, (b) Rick's infringement constitutes harm to Columbia Pictures such that Columbia Pictures could not be made whole by any monetary award, (c) if Rick's wrongful conduct is allowed to continue, the public is likely to become further confused, mistaken or deceived as to the source, origin or authenticity of the infringing materials, and (d) Rick's wrongful conduct, and the resulting damage to Columbia Pictures, is continuing.

61. Columbia Pictures is entitled to, among other relief, injunctive relief and an award of actual damages, Rick's profits, enhanced damages and profits, reasonable attorneys' fees and costs of the action under Sections 34 and 35 of the Lanham Act, 15 U.S.C. §§ 1116, 1117, together with prejudgment and post-judgment interest.

G. COUNT II - FEDERAL TRADEMARK DILUTION (15 U.S.C. § 1125(c))

62. Columbia Pictures repeats and re-alleges each and every allegation contained in the preceding paragraphs of this Complaint, and incorporates them herein by reference.

63. Columbia Pictures' Property IP, including its Infringed Marks, is a collection of distinctive marks that have been in use for many years and have achieved widespread public recognition.

64. Columbia Pictures' Property IP is famous within the meaning of Section 43(c) of the Lanham Act, 15 U.S.C. § 1125(c).

65. Rick's began using Columbia Pictures' Property IP in its Establishment after Columbia Pictures' Property IP became distinctive and famous.

66. The similarity between Rick's marks and the Columbia Pictures' marks, including the Property IP (and, in particular, the Infringed Marks), gives rise to the association between the marks. Customers have demonstrated actual confusion as to the source, sponsorship or affiliation of the Establishment. Individuals have posted scene stills and quotations of memorable lines from the Picture as comments on the Establishment's official Facebook page. Further, Rick's has admitted it *intended* to confuse consumers about the association between the Establishment and the Picture. Rick's use of the Property IP, including the Infringed Marks, is likely to continue to be confused as to affiliation between the Establishment and the Picture.

67. The association created by Rick's commercial use of the Property IP, including the Infringed Marks, has already and is likely to continue to dilute the distinctiveness of Columbia Pictures' Property IP by eroding the public's exclusive identification of these famous marks with Columbia Pictures, tarnishing and degrading the positive associations and prestigious connotations of the marks, and otherwise lessening the capacity of the marks to identify and distinguish products and goods. Further, Rick's has tarnished and diluted the reputation of

Columbia Picture's famous Property IP, including the Infringed Marks, by associating it with Male-Oriented Entertainment Restaurants and other forms of adult entertainment.

68. Rick's unauthorized use of Columbia Pictures' Property IP has diluted, and will, unless enjoined, continue to dilute, and is likely to dilute the distinctive quality of Columbia Pictures' Infringed Marks.

69. Rick's unauthorized use of Columbia Pictures' Property IP has tarnished, will, unless enjoined, continue to tarnish, and is likely to tarnish Columbia Pictures' Property IP by undermining and damaging the valuable goodwill associated therewith.

70. Rick's acts as alleged herein are intentional and willful in violation of Section 43(c) of the Lanham Act, 15 U.S.C. § 1125(c), and have already caused Columbia Pictures irreparable damage and will, unless enjoined, continue to so damage Columbia Pictures, which has no adequate remedy at law.

71. Columbia Pictures is entitled to, among other relief, an award of actual damages, Rick's profits, enhanced damages and profits, reasonable attorneys' fees and costs of the action under Sections 34 and 35 of the Lanham Act, 15 U.S.C. §§ 1116, 1117, together with prejudgment and post-judgment interest.

H. COUNT III – INFRINGEMENT OF DOMAIN NAME (15 U.S.C. § 1125(d))

72. Columbia Pictures repeats and re-alleges each and every allegation contained in the preceding paragraphs of this Complaint, and incorporates them herein by reference.

73. On information and belief, Rick's has, in bad faith, intended to profit from Columbia Pictures' "Ricky Bobby" mark.

74. Rick's has registered and used a domain name that is identical or confusingly similar to Columbia Pictures' "Ricky Bobby" mark, which was distinctive at the time of registration of the Rick's domain name.

75. Rick's domain name is identical or confusingly similar to or dilutive of Columbia Pictures' "Ricky Bobby" mark, which was famous at the time of registration of Rick's domain name.

76. Rick's selected a domain name similar to Columbia Pictures' preexisting, famous "Ricky Bobby" mark and domain name in bad faith, with the intent to profit from the confusion, mistake, and deceit that are likely to result from Rick's use of its domain name. As a result, Rick's use of its domain name violates 15 U.S.C. § 1125(d).

77. As a direct and proximate result of Rick's violations of 15 U.S.C. § 1125(d), Columbia Pictures has suffered, and will continue to suffer, substantial and irreparable harm.

78. Columbia Pictures is entitled to, among other relief, injunctive relief and an award of actual damages, Rick's profits, enhanced damages and profits, reasonable attorneys' fees and costs of the action under Sections 34 and 35 of the Lanham Act, 15 U.S.C. §§ 1116, 1117, together with prejudgment and post-judgment interest.

I. COUNT IV - COMMON LAW TRADEMARK INFRINGEMENT

79. Columbia Pictures repeats and re-alleges each and every allegation contained in the preceding paragraphs of this Complaint, and incorporates them herein by reference.

80. Columbia Pictures owns all rights, title and interest in and to the Columbia Pictures' Infringed Marks, including all common law rights in such marks.

81. Without authorization from Columbia Pictures, Rick's has used and is continuing to use images, text, domain names, and themes that are confusingly similar to Columbia Pictures' Infringed Marks.

82. Rick's unauthorized use in commerce of the Infringed Marks as described herein is likely to cause confusion, mistake, or deception and constitutes common law trademark infringement.

83. Rick's has committed the foregoing acts of infringement with full knowledge of Columbia Pictures' prior rights in the Infringed Marks and with the willful intent to cause confusion and trade on Columbia Pictures' goodwill.

84. Rick's conduct is causing immediate and irreparable harm and injury to Columbia Pictures, and to its goodwill and reputation, and will continue to both damage Columbia Pictures and confuse the public unless enjoined by this Court. Columbia Pictures has no adequate remedy at law.

85. Columbia Pictures is entitled to, among other relief, injunctive relief and an award of actual damages, Defendants' profits, enhanced damages and profits, reasonable attorneys' fees and costs of the action, together with prejudgment and post-judgment interest.

J. COUNT V - COMMON LAW UNFAIR COMPETITION

86. Columbia Pictures repeats and re-alleges each and every allegation contained in the preceding paragraphs of this Complaint, and incorporates them herein by reference.

87. The foregoing acts of Rick's permit Rick's to use and benefit from the goodwill and reputation earned by Columbia Pictures and to obtain a ready customer acceptance of Rick's products and services, and constitute unfair competition, palming off, and misappropriation in violation of Texas common law, for which Columbia Pictures is entitled to recover any and all remedies provided by such common law.

88. Rick's has made and will continue to make substantial profits and gains to which it is not in law or equity entitled.

89. Rick's intends to continue its infringing acts, unless restrained by this Court.

90. Rick's acts have damaged and will continue to damage Columbia Pictures, and Columbia Pictures has no adequate remedy at law.

**K. COUNT VI - INJURY TO BUSINESS REPUTATION AND TRADEMARK DILUTION,
Tex. Bus. & Comm. Code § 16.103**

91. Columbia Pictures repeats and re-alleges the allegations set forth above as if fully set forth herein.

92. Columbia Pictures' Property IP, including the Infringed Marks, is famous within the meaning of Section 16.103(b) of the Texas Business and Commerce Code.

93. Rick's began using Columbia Pictures' Property IP, most notably by using the Infringed Marks, in its Establishment after Columbia Pictures' Property IP became distinctive and famous.

94. The similarity between Rick's marks and the Columbia Pictures' marks gives rise to the association between the marks. Customers have demonstrated actual confusion as to the source, sponsorship or affiliation of the Establishment. Individuals have posted scene stills and quotations of memorable lines from the Picture as comments on the Establishment's official Facebook page. Further, Rick's has admitted it *intended* to confuse consumers about the association between the Establishment and the Picture. Rick's use of the marks is likely to continue to be confused as to affiliation between the Establishment and the Picture.

95. The association created by Rick's commercial use of the Property IP has already diluted and is likely to continue to dilute the distinctiveness of Columbia Pictures' Property IP by eroding the public's exclusive identification of this famous Property IP with Columbia Pictures, tarnishing and degrading the positive associations and prestigious connotations of the Property IP, and otherwise lessening the capacity of the Property IP to identify and distinguish products and goods. Further, Rick's has tarnished and diluted the reputation of Columbia Pictures' famous Property IP by associating it with adult entertainment.

96. Rick's unauthorized use of Columbia Pictures' Property IP, including the Infringed Marks, has diluted, and will, unless enjoined, continue to dilute, the distinctive quality of Columbia Pictures' Property IP.

97. Rick's unauthorized use of Columbia Pictures' Property IP has tarnished, will, unless enjoined, continue to tarnish, and is likely to tarnish Columbia Pictures' Property IP by undermining and damaging the valuable goodwill associated therewith.

98. Rick's acts as alleged herein are intentional and willful in violation of Section 16.103 of the Texas Business and Commerce Code, have already caused Columbia Pictures irreparable damage, and will, unless enjoined, continue to so damage Columbia Pictures, which has no adequate remedy at law.

L. COUNT VII - COMMON LAW UNJUST ENRICHMENT

99. Columbia Pictures repeats and re-alleges the allegations set forth above as if fully set forth herein.

100. By reason of the foregoing, Rick's has unjustly enriched itself through unlicensed and unauthorized exploitation of Columbia Pictures' Property IP, and continues to do so, in an unknown amount.

101. Columbia Pictures is entitled to just compensation under the common law of the State of Texas.

M. COUNT VIII - ATTORNEYS' FEES

102. Columbia Pictures repeats and re-alleges the allegations set forth above as if fully set forth herein.

103. Columbia Pictures is entitled to an award of attorneys' fees and costs, at least under 15 U.S.C. § 1117(a).

PRAYER

WHEREFORE, Columbia Pictures respectfully requests that this Court enter judgment against Rick's as follows:

A. Finding that:

(i) Rick's has violated Section 43(a) of the Lanham Act (15 U.S.C. § 1125(a)); Section 43(c) of the Lanham Act (15 U.S.C. § 1125(c)); and Section 43(d) of the Lanham Act (15 U.S.C. § 1125(d));

(ii) Rick's has engaged in trademark infringement and unfair competition under the common law of Texas;

(iii) Rick's has violated Section 16.103 of the Texas Business and Commercial Code;

(iv) Rick's has been unjustly enriched in violation of Texas common law.

B. Granting an injunction and permanently enjoining Rick's, its employees, agents, officers, directors, attorneys, successors, affiliates, subsidiaries and assigns, and all of those in active concert and participation with any of the foregoing persons and entities who receive actual notice of the Court's order by personal service or otherwise from:

(i) engaging in any activity that infringes Columbia Pictures' rights in its Property IP;

(ii) engaging in any activity constituting unfair competition with Columbia Pictures;

(iii) engaging in any activity that is likely to dilute the distinctiveness of Columbia Pictures' Property IP;

(iv) making or displaying any statement, representation, or depiction that is likely to lead the public or the trade to believe that (a) Rick's goods or services are in any manner approved, endorsed, licensed, sponsored, authorized or franchised by or associated, affiliated or otherwise

connected with Columbia Pictures or (b) Columbia Pictures' goods or services are in any manner approved, endorsed, licensed, sponsored, authorized or franchised by or associated, affiliated or otherwise connected with Rick's;

(v) using or authorizing any third party to use any false description, false representation, or false designation of origin, or any marks, names, words, symbols, devices or trade dress that falsely associate such business, goods and/or services with Columbia Pictures or tend to do so;

(vi) registering or applying to register any trademark, service mark, domain name, trade name or other source identifier or symbol of origin consisting of or incorporating the Property IP or any other mark that infringes or is likely to be confused with Columbia Pictures' Property IP, or any goods or services of Columbia Pictures, or Columbia Pictures as their source; and

(vii) aiding, assisting or abetting any other individual or entity in doing any act prohibited by sub-paragraphs (i) through (vi).

C. Granting such other and further relief as the Court may deem proper to prevent the public and trade from deriving the false impression that any goods or services manufactured, sold, distributed, licensed, marketed, advertised, promoted, or otherwise offered or circulated by Rick's are in any way approved, endorsed, licensed, sponsored, authorized or franchised by or associated, affiliated or otherwise connected with Columbia Pictures or constitute or are connected with Columbia Pictures' goods or services.

D. Directing Rick's to immediately cease all manufacture, display, distribution, marketing, advertising, promotion, sale, offer for sale and/or use of any and all packaging, labels, catalogs, shopping bags, containers, advertisements, signs, displays and other materials that feature or bear any designation or mark incorporating the Property IP or any other mark that is a counterfeit, copy, simulation, confusingly similar variation, or colorable imitation of Columbia

Pictures' Property IP, and to direct all distributors, retailers, wholesalers and other individuals and establishments wherever located in the United States that distribute, advertise, promote, sell or offer for sale Rick's goods or services to cease forthwith the display, distribution, marketing, advertising, promotion, sale and/or offering for sale of any and all goods, services, packaging, labels, catalogs, shopping bags, containers, advertisements, signs, displays and other materials featuring or bearing the Property IP or any other mark that is a counterfeit, copy, simulation, confusingly similar variation, or colorable imitation of Columbia Pictures' Property IP, and to immediately remove them from public access and view.

E. Directing that Rick's recall and deliver up for destruction all goods, packaging, advertisements, promotions, signs, displays and related materials incorporating or bearing the Property IP or any other mark that is a counterfeit, copy, confusingly similar variation or colorable imitation of Columbia Pictures' Property IP.

F. Directing Rick's to formally abandon with prejudice any and all of its applications to register any mark consisting of, incorporating or containing Columbia Pictures' Property IP or any counterfeit, copy, confusingly similar variation or colorable imitation thereof on any state or federal trademark registry.

G. Directing Rick's to cancel with prejudice any and all of its registrations for any mark consisting of, incorporating or containing Columbia Pictures' Property IP or any counterfeit, copy, confusingly similar variation or colorable imitation thereof on any state or federal trademark registry.

H. Directing, pursuant to Section 37 of the Lanham Act (15 U.S.C. § 1119), the cancellation of U.S. Service Registration No. 4419127 and any and all other federal registrations for any mark consisting of, incorporating or containing Columbia Pictures' Property IP or any

counterfeit, copy, confusingly similar variation or colorable imitation thereof owned or controlled by Rick's.

I. Directing, pursuant to Section 35(a) of the Lanham Act (15 U.S.C. § 1116(a)), Rick's to file with the Court and serve upon Columbia Pictures' counsel within thirty (30) days after service on Rick's of an injunction in this action, or such extended period as the Court may direct, a report in writing under oath, setting forth in detail the manner and form in which Rick's has complied therewith.

J. Directing, pursuant to Section 43(d) of the Lanham Act (15 U.S.C. § 1125(d)), the forfeiture or cancellation of the domain name www.rickybobbyftw.com or the transfer of the domain name www.rickybobbyftw.com to Columbia Pictures.

K. Awarding Columbia Pictures an amount up to three times the amount of its actual damages, in accordance with Section 35(a) of the Lanham Act (15 U.S.C. § 1117(a)).

L. Directing that Rick's account to and pay over to Columbia Pictures all profits realized by and all damages caused by its wrongful acts in accordance with Section 35(a) of the Lanham Act (15 U.S.C. § 1117(a)), the amount of which exceeds \$75,000, enhanced as appropriate to compensate Columbia Pictures for the damages caused thereby.

M. Awarding Columbia Pictures punitive and exemplary damages as the Court finds appropriate to deter any future willful infringement.

N. Declaring that this is an exceptional case pursuant to Section 35(a) of the Lanham Act and awarding Columbia Pictures its costs and reasonable attorneys' fees thereunder (15 U.S.C. § 1117(a)).

O. Awarding Columbia Pictures interest, including prejudgment and post-judgment interest, on the foregoing sums.

P. Awarding such other and further relief as the Court deems just and proper.

Respectfully submitted,

REED SMITH, LLP

By: /s/Robert R. Riddle

Robert R. Riddle (attorney-in-charge)

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EXHIBIT A

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended September 30, 2011

☐ Transition report under Section 13 or 15(d) of the Securities Exchange Act of 1934

Commission file number: 001-13992

RICK'S CABARET INTERNATIONAL, INC.

(Exact name of registrant as specified in its charter)

Texas

State or other jurisdiction of (I.R.S. Employer incorporation or organization Identification No.)

10959 Cutten Road, Houston, Texas 77066

(Address of principal executive offices)

(281) 397-6730

Registrant's telephone number, including area code

Securities registered pursuant to Section 12(b) of the Act:

n/a

Title of each class

NASDAQ

Name of each exchange on which registered

Securities registered pursuant to section 12(g) of the Act:

Common Stock, \$.01 Par Value

(Title of class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule

12b-2 of the Exchange Act. Large accelerated filer ☐ Accelerated filer ☒ Non-accelerated filer ☐
Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act.): Yes ☐ No ☒

The aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold as of the last business day of the registrant's most recently completed second fiscal quarter was \$85,463,000.

As of December 1, 2011, there were approximately 9,717,307 shares of common stock outstanding (excluding treasury shares).

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PART I**Item 1. Business.****INTRODUCTION**

Rick's Cabaret International, Inc. was incorporated in the State of Texas in 1994. Through our subsidiaries, as of December 1, 2011, we own and/or operate a total of twenty-three adult nightclubs that offer live adult entertainment, restaurant and bar operations. Eight of our clubs operate under the name "Rick's Cabaret"; four operate under the name "Club Onyx", upscale venues that welcome all customers but cater especially to urban professionals, businessmen and professional athletes; six operate under the name "XTC Cabaret"; one club operates as "Tootsie's Cabaret", one operates as "Cabaret North", one operates as "Downtown Cabaret", one operates as "Cabaret East" and one operates as "Temptations". Additionally, we own a 40% interest in "The Mansion" nightclub in Austin, Texas. Our nightclubs are in Houston, Austin, San Antonio, Dallas and Fort Worth, Texas; Charlotte, North Carolina; Minneapolis, Minnesota; New York, New York; Miami Gardens, Florida; Philadelphia, Pennsylvania and Indianapolis, Indiana. We also own a media division, including the leading trade magazine serving the multi-billion dollar adult nightclubs industry. Included in the media division are two industry trade shows, two other industry trade publications and more than 25 industry websites.

We also own and operate premiere adult entertainment Internet websites. Our online entertainment sites are, CouplesTouch.com, NaughtyBids.com and xxxpassword.com. CouplesTouch.com is a personals site for those in the swinging lifestyle. NaughtyBids.com is our online adult auction site. It contains consumer-initiated auctions for items such as adult videos, apparel, photo sets, adult paraphernalia and other erotica. There are typically approximately 10,000 active auctions at this site at any given time. We charge the seller a fee for each successful auction. The site xxxPassword.com features adult content licensed through Voice Media, Inc. Most of our sites use proprietary software platforms written by us to deliver the best experience to the user without being constrained by off-the-shelf software solutions.

Our website address is www.Ricks.com. We also have an investors' website – www.ricksinvestor.com. Upon written request, we make available free of charge our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and all amendments to those reports as soon as reasonably practicable after such material is electronically filed with the SEC under Securities Exchange Act of 1934, as amended. Information contained in the website shall not be construed as part of this Form 10-K.

References to "us," "Rick's" or the "Company" are to Rick's Cabaret International, Inc. and include our 100%-owned, 85%-owned and 51%-owned consolidated subsidiaries.

BUSINESS ACTIVITIES--NIGHTCLUBS

Prior to the opening of the first Rick's Cabaret in 1983 in Houston, Texas, the topless nightclub business was characterized by small establishments generally managed by their owner. Operating policies of these establishments were often lax, the sites were generally dimly lit, standards for performers' personal appearance and personality were not maintained and it was customary for performers to alternate between dancing and waiting tables. The quantity and quality of bar service was low and food was not frequently offered. Music was usually "hard" rock and roll, played at a loud level by a disc jockey. Usually, only cash was accepted. Many businessmen felt uncomfortable in such environments. Recognizing a void in the market for a first-class adult nightclub, we designed Rick's Cabaret to target the more affluent customer by providing a unique quality entertainment environment. The following summarizes our areas of operation that distinguish us:

Female Entertainers. Our policy is to maintain high standards for both personal appearance and personality for the entertainers and waitresses. Of equal importance is a performer's ability to present herself attractively and to talk with customers. We prefer that performers who work at our clubs be experienced entertainers. We make a determination as to whether a particular applicant is suitable based on such factors of appearance, attitude, dress, communication skills and demeanor. At all clubs, except for our Minnesota location, the entertainers are independent contractors. We do not schedule their work hours.

Management. We often recruit staff from inside the topless industry, as well as from large restaurant and club chains, in the belief that management with experience in the sector adds to our ability to grow and attract quality entertainers. Management with experience is able to train new recruits from outside the industry.

Compliance Policies/Employees. We have a policy of ensuring that our businesses are operated in conformity with local, state and federal laws. In particular, we have a "no tolerance" policy as to illegal drug use in or around the premises. Posters placed throughout the nightclubs reinforce this policy, as do periodic unannounced searches of the entertainers' lockers. Entertainers and waitresses who arrive for work are not allowed to leave the premises without the permission of management. If an entertainer does leave the premises, she is not allowed to return to work until the next day. We continually monitor the behavior of entertainers, waitresses and customers to ensure that proper standards of behavior are

observed.

Compliance Policies/Credit Cards. We review all credit card charges made by our customers. We have in place a formal policy requiring that all credit card charges must be approved, in writing, by management before any charges are accepted. Management is trained to review credit card charges to ensure that the only charges approved for payment are for food, drink and entertainment.

Food and Drink. We believe that a key to the success of our branded adult nightclubs is a quality, first-class bar and restaurant operation to compliment our adult entertainment. We employ service managers who recruit and train professional wait staff and ensure that each customer receives prompt and courteous service. We employ chefs with restaurant experience. Our bar managers order inventory and schedule bar staff. We believe that the operation of a first class restaurant is a necessary component to the operation of a premiere adult cabaret, as is the provision of premium wine, liquor and beer in order to ensure that the customer perceives and obtains good value. At most locations, our restaurant operations provide business lunch buffets and full lunch and dinner menu service with hot and cold appetizers, salads, seafood, steak, and lobster. An extensive selection of quality wines is available at most locations.

Controls. Operational and accounting controls are essential to the successful operation of a cash intensive nightclub and bar business. At each location, we have designed and implemented internal procedures and controls to ensure the integrity of our operational and accounting records. Wherever practicable, we separate management personnel from all cash handling so that management is isolated from and does not handle any cash. We use a combination of accounting and physical inventory control mechanisms to maintain a high level of integrity in our accounting practices. Information technology plays a significant role in capturing and analyzing a variety of information to provide management with the information necessary to efficiently manage and control each nightclub. Deposits of cash and credit card receipts are reconciled each day to a daily income report. In addition, we review on a daily basis (i) cash and credit card summaries which tie together all cash and credit card transactions occurring at the front door, the bars in the club and the cashier station, (ii) a summary of the daily bartenders' check-out reports, and (iii) a daily cash requirements analysis which reconciles the previous day's cash on hand to the requirements for the next day's operations. These daily computer reports alert local management of any variances from expected financial results based on historical norms. We conduct a monthly overview of our financial condition and operating results.

Atmosphere. We maintain a high design standard in our facilities and decor. The furniture and furnishings in the nightclubs create the feeling of an upscale restaurant. The sound system provides quality sound at levels at which conversations can still take place. The environment is carefully monitored for music selection, entertainer and waitress appearance and all aspects of customer service on a continuous basis.

VIP Room. In keeping with our emphasis on serving the upper-end of the businessmen's market, some of our nightclubs include a VIP room, which is open to individuals who purchase memberships. A VIP room provides a higher level of service and luxury.

Advertising and Promotion. Our consumer marketing strategy is to position our "Rick's Cabaret" brand clubs as premiere entertainment facilities that provide exceptional topless entertainment in a fun, yet discreet, environment. We use a variety of highly targeted methods to reach our customers including hotel publications, local radio, cable television, newspapers, billboards, taxi-cab reader boards, and the Internet, as well as a variety of promotional campaigns. These campaigns ensure that the Rick's Cabaret name is kept before the public.

Rick's Cabaret has received a significant amount of media exposure over the years in national magazines such as Playboy, Penthouse, Glamour Magazine, The Ladies Home Journal, Time Magazine, Time Out New York, and Texas Monthly Magazine. Segments about Rick's have aired on national and local television programs such as "20/20", "Extra" and "Inside Edition", and we have provided entertainers for Pay-Per-View features as well. Business stories about Rick's Cabaret have appeared in Forbes, Newsweek, The Wall Street Journal, The New York Times, The New York Post, Los Angeles Times, Houston Business Journal, and numerous other national and regional publications.

NIGHTCLUB LOCATIONS

We currently operate clubs under the name "Rick's Cabaret" in Houston, San Antonio and Fort Worth, Texas (2); Minneapolis, Minnesota; New York, New York; Austin, Texas and Indianapolis, Indiana. We also operate a similar nightclub under the name "Tootsie's Cabaret" in Miami Gardens, Florida. We also operate a total of four nightclubs (one in Houston, one in Dallas, one in Charlotte, North Carolina and one in Philadelphia, Pennsylvania), as "Club Onyx", upscale venues that welcome all customers but cater especially to urban professionals, businessmen and professional athletes. Additionally, we own six nightclubs that operate as "XTC Cabaret" in San Antonio, Austin, Dallas, Fort Worth and two in Houston, Texas, one that operates as "Cabaret East", one that operates as "Cabaret North" in Fort Worth and one that operates as "Downtown Cabaret" in Minneapolis. We also own a 40% interest in one club that operates as "The Mansion" in Austin. We sold our New Orleans, Louisiana nightclub in March 1999, but it continues to use the name "Rick's Cabaret" under a licensing agreement.

EXHIBIT B

Contact Us



Our
Company

Investor
Relations

Career
Opportunities

▼ IR Home

- SEC Filings
- XBRL Content
- Beneficial Ownership of Insiders
- ▶ Corporate Governance
- Executive Biographies
- Company Profile
- Company Strategy
- ▼ Stock Information
 - Stock Ticker
 - Interactive Chart
- Press Releases
- Contact Rick's



Rick's Cabaret International, inc. targets Webster, TX to open second 'Bombshells' Restaurant & Sports Bar

HOUSTON – (September 4, 2013) – [Rick's Cabaret International, Inc.](#) (NasdaqGM:RICK), the publicly traded hospitality company that owns over 40 gentlemen's clubs and restaurant venues nationwide, said today it will open its second '**Bombshells**' restaurant/sports bar. The company expects to open the new venue in early 2014 in Webster, TX, just south of Houston.

Eric Langan, president and CEO of Rick's Cabaret, said a subsidiary of the company has signed a long-term lease for a restaurant property on East NASA Parkway, a short distance from the [Johnson Space Center](#) of Houston. The new location will feature a first class restaurant/bar and live entertainment on the outdoor patio. The military-themed 'Bombshells' will feature sexy wait staff and great music 11 am to 2 am seven days a week.

"Our initial '**Bombshells**' restaurant in Dallas has proven to be a terrific success, attracting a base that ranges from young adults and families who like the ambiance, the energy and the great hospitality, as well as sports fans who love to watch their favorite teams on over 70 large TVs," Mr. Langan said. "In addition to the Webster location, we are considering other potential sites and will announce them as they materialize."

For more information on the current Dallas location visit <http://www.bombshellsdallas.com/> or follow on Facebook at www.facebook.com/bombshellsrestaurant.

About Rick's Cabaret: Rick's Cabaret International, Inc. (NASDAQ: RICK) is home to upscale adult nightclubs serving primarily businessmen and professionals that offer live entertainment, dining and bar operations. Nightclubs in New York City, Miami, Philadelphia, Charlotte, Dallas/Ft. Worth, Houston, Minneapolis, Indianapolis and other cities are named "Rick's Cabaret," "XTC," "Club Onyx" and "Tootsie's Cabaret" and other brand names. Sexual contact is not permitted at any locations. Rick's Cabaret also operates a media division, ED Publications. Rick's Cabaret common stock is traded on NASDAQ under the symbol RICK. For further information contact ir@ricks.com or visit www.ricksinvestor.com. Facebook: <http://www.facebook.com/rickscabaretintl>.

Forward-looking Statements: This press release may contain forward-looking statements that involve a number of risks and uncertainties that could cause the company's actual results to differ materially from those indicated in this press release, including the risks and uncertainties associated with operating and managing an adult business, the business climates in cities where it operates, the success or lack thereof in launching and building the company's businesses, risks and uncertainties related to the operational and financial results of our Web sites, conditions relevant to real estate transactions, and numerous other factors such as laws governing the operation of adult entertainment businesses, competition and dependence on key personnel. Rick's has no obligation to update or revise the forward-looking statements to reflect the occurrence of future events or circumstances. For further information visit www.ricksinvestor.com.

Contact: Allan Priaulx, 212-338-0050, allan@ricks.com

03/06/14 01:07 PM ET
RICK (Common Stock)

Exchange	NSDQ
Last Trade	\$11.50
Change (%)	+0.20 (1.77%)
Volume	18,511

Quotes delayed at least 20 mins.

JOIN OUR RICK'S CABARET INVESTOR EMAIL LIST

If you would like to receive all press releases and other important corporate announcements by email the moment they are distributed by BusinessWire, just send your request to ir@ricks.com. We'll make sure you are on the list (and, you can remove yourself at any time by just clicking the "Unsubscribe" button at the bottom of every release.

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EXHIBIT C

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Company

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Rick's Cabaret International, Inc. reports strong grand opening for new Bombshells in Webster, TX

HOUSTON – January 30, 2014 – Rick's Cabaret International, Inc. (NasdaqGM: RICK) reported a strong grand opening yesterday for its newest military-themed Bombshells restaurant and sports bar in the Houston suburb of Webster, TX. The opening kicked off festivities leading up to, through and after the pro football championship on Sunday, February 2, 2014.

The highly visible, 8,096 square foot restaurant/bar along with a 2,968 square foot patio, is located southeast of Houston, [in Challenger Plaza,] 803 East NASA Road 1, Webster, TX, 77598, a short distance from the Johnson Space Center. Bombshells is open 11 AM to 2 AM every day, for lunch during the day, family dining late day/early evening, happy hour, and singles and couples at night.

"We're pleased to report our second Bombshells is off to a strong start," said Eric Langan, President and CEO of Rick's Cabaret International. "Sales yesterday easily met our high expectations."

Mr. Langan attributed results to how Bombshells combines multiple entertaining restaurant concepts in one fun location. "There's great food for lunch, families and getting together with friends and dates; big flat screen TVs to create one of the best new sports bars around; popular local talent providing live music; an outdoor patio; and attractive waitresses who want you to have a good time."

The first Bombshells in Dallas had a soft opening late February and a grand opening mid-March last year. Three others are being developed in Austin, Beaumont, and in South Houston at 12810 Gulf Freeway. Rick's objective is to have a total of 10 sports bar/restaurants open or in development by year end calendar 2014, with a cluster in Texas and others possibly outside the state in select cities with tourist and convention traffic.

About Rick's Cabaret

With 43 units, Rick's Cabaret International, Inc. (NasdaqGM: RICK) is the leading hospitality company operating adult gentlemen's clubs and sports bar/restaurants in the US. Adult clubs in New York City, Los Angeles, Miami, Philadelphia, Charlotte, Dallas/Ft. Worth, Houston, Minneapolis, Indianapolis and other cities operate under brand names such as "Rick's Cabaret," "XTC," "Club Onyx," "Vivid Cabaret," "Jaguars" and "Tootsie's Cabaret." Sports bar/restaurants, which also feature live entertainment, operate under the brand names "Bombshells" and "Ricky Bobby Sports Saloon."

For More Information

- Web: <http://www.ricksinvestor.com>
- Twitter: <https://twitter.com/rickscabaretinc>
- Facebook: <https://www.facebook.com/rickscabaretintl>
- Bombshells Dallas: <http://www.bombshellsdallas.com>
- Bombshells Webster: <http://bombshellswebster.com>

Forward-looking Statements

This press release may contain forward-looking statements that involve a number of risks and uncertainties that could cause the company's actual results to differ materially from those indicated in this press release, including the risks and uncertainties associated with operating and managing an adult business, the business climates in cities where it operates, the success or lack thereof in launching and building the company's businesses, risks and uncertainties related to the operational and financial results of our Web sites, conditions relevant to real estate transactions, and numerous other factors such as laws governing the operation of adult entertainment businesses, competition and dependence on key

03/06/14 01:20 PM ET
RICK (Common Stock)

Exchange	NSDQ
Last Trade	\$11.50
Change (%)	+0.20 (1.77%)
Volume	25,963

Quotes delayed at least 20 mins.

JOIN OUR RICK'S CABARET INVESTOR EMAIL LIST

If you would like to receive all press releases and other important corporate announcements by email the moment they are distributed by BusinessWire, just send your request to ir@ricks.com. We'll make sure you are on the list (and, you can remove yourself at any time by just clicking the "Unsubscribe" button at the bottom of every release.

personnel. Rick's has no obligation to update or revise the forward-looking statements to reflect the occurrence of future events or circumstances.

Media & Investor Contacts

Gary Fishman and Steven Anreder at 212-532-3232 or gary.fishman@anreder.com
and steven.anreder@anreder.com

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EXHIBIT D

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended September 30, 2013

☐ Transition report under Section 13 or 15(d) of the Securities Exchange Act of 1934

Commission file number: 001-13992

RICK'S CABARET INTERNATIONAL, INC.
(Exact name of registrant as specified in its charter)

Texas

State or other jurisdiction of (I.R.S. Employer incorporation or organization Identification No.)

10959 Cutten Road, Houston, Texas 77066
(Address of principal executive offices)

(281) 397-6730

Registrant's telephone number, including area code

Securities registered pursuant to Section 12(b) of the Act:

Common Stock, \$.01 Par Value
(Title of class)

NASDAQ

Name of each exchange on which registered

Securities registered pursuant to section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. Large accelerated filer ☐ Accelerated filer ☒ Non-accelerated filer ☐ Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act.): Yes ☐ No ☒

The aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold as of the last business day of the registrant's most recently completed second fiscal quarter was \$100,307,577.

As of December 2, 2013, there were approximately 9,561,430 shares of common stock outstanding.

NOTE ABOUT FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements include, among other things, statements regarding plans, objectives, goals, strategies, future events or performance and underlying assumptions and other statements, which are other than statements of historical facts. Forward-looking statements may appear throughout this report, including without limitation, the following sections: Item 1 “Business,” Item 1A “Risk Factors,” and Item 7 “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” Forward-looking statements generally can be identified by words such as “anticipates,” “believes,” “estimates,” “expects,” “intends,” “plans,” “predicts,” “projects,” “will be,” “will continue,” “will likely result,” and similar expressions. These forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties, which could cause our actual results to differ materially from those reflected in the forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in this Annual Report on Form 10-K, and in particular, the risks discussed under the caption “Risk Factors” in Item 1A and those discussed in other documents we file with the Securities and Exchange Commission (SEC). Important factors that in our view could cause material adverse affects on our financial condition and results of operations include, but are note limited to, the risks and uncertainties related to our future operational and financial results, competitive factors, the timing of the openings of other clubs, the availability of acceptable financing to fund corporate expansion efforts, our dependence on key personnel, the ability to manage operations and the future operational strength of management, and the laws governing the operation of adult entertainment businesses. We undertake no obligation to revise or publicly release the results of any revision to any forward-looking statements, except as required by law. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements.

As used herein, the “Company,” “we,” “our,” and similar terms include Rick’s Cabaret International, Inc. and its subsidiaries, unless the context indicates otherwise.

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PART I**Item 1. Business.****INTRODUCTION**

Rick's Cabaret International, Inc. was incorporated in the State of Texas in 1994. Through our subsidiaries, as of September 30, 2013, we operate a total of thirty-nine establishments that offer live adult entertainment, and/or restaurant and bar operations. We also intend, through our subsidiaries, to open an additional three locations by the end of the calendar year. We have one reportable segment, nightclubs.

SCHEDULE OF CLUBS

<u>Name of Nightclub</u>	<u>Date Acquired/Opened</u>
Club Onyx, Houston, TX	1995
Rick's Cabaret, Minneapolis, MN	1998
XTC Cabaret, Austin, TX	1998
XTC Cabaret, San Antonio, TX	1998
XTC Cabaret North, Houston, TX	2004
Rick's Cabaret, New York City, NY	2005
Club Onyx, Charlotte, NC	2005
Rick's Cabaret, San Antonio, TX	2006
XTC Cabaret South, South Houston, TX	2006
Rick's Cabaret, Fort Worth, TX	2007
Tootsie's Cabaret, Miami Gardens, FL	2008
XTC Cabaret, Dallas, TX	2008
Club Onyx, Dallas, TX	2008
Club Onyx, Philadelphia, PA	2008
Rick's Cabaret, North Austin, TX	2009
Cabaret North, Fort Worth, TX	2009
Cabaret East, Fort Worth, TX	2010
XTC Cabaret, Fort Worth, TX	2010
Rick's Cabaret DFW, Fort Worth, TX	2011
Downtown Cabaret, Minneapolis, MN	2011
Rick's Cabaret, Indianapolis, IN	2011
Temptations, Aledo, TX	2011
Silver City Cabaret, Dallas, TX	2012
Jaguars Club, Odessa, TX	2012
Jaguars Club, Phoenix, AZ	2012
Jaguars Club, Lubbock, TX	2012
Jaguars Club, Longview, TX	2012
Jaguars Club, Tye, TX	2012
Jaguars Club, Edinburg, TX	2012
Jaguars Club, El Paso, TX	2012
Jaguars Club, Harlingen, TX	2012
Rick's Cabaret, Lubbock, TX	2012
Jaguar's Club, Beaumont, TX	2012
Rick's Cabaret, Odessa, TX (2)	2012
Vee Lounge, Fort Worth, TX	2013
Bombshells, Dallas, TX	2013
Ricky Bobby Sport Saloon, Fort Worth, TX	2013
Temptations, Sulphur, LA	2013
Temptations, Beaumont, TX	2013
Vivid Cabaret, Los Angeles, CA	2013
Vivid Cabaret, New York, NY (1)	2013
Bombshells, Beaumont, TX (1)	2013
Jaguars, Houston, TX (1)	2013
Bombshells, Austin, TX (2)	2013
Bombshells, Webster, TX (2)	2013
The Black Orchid, Dallas, TX (3)	2013

(1) To be opened in Calendar 2013.

(2) To be opened in Calendar 2014.

(3) Acquired in October 2013.

As noted above, we have the following nightclubs/restaurant under construction or contract:

- Vivid Cabaret in New York – the building is being remodeled and should open in the fall.
- Rick's Cabaret Odessa, Texas – under construction – opening in spring of 2014.
- Bombshells Beaumont – the building is being remodeled and should open in the fall.
- Jaguars Houston to be opened in December 2013.
- Bombshells Austin to be opened in Spring 2014.
- Bombshells Webster to be opened in Spring 2014.

Our website address is www.Ricks.com. We also have an investors' website – www.ricksinvestor.com. Upon written request, we make available free of charge our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and all amendments to those reports as soon as reasonably practicable after such material is electronically filed with the SEC under the Securities Exchange Act of 1934, as amended. Information contained in the website shall not be construed as part of this Form 10-K.

BUSINESS ACTIVITIES—NIGHTCLUBS

Prior to the opening of the first Rick's Cabaret in 1983 in Houston, Texas, the adult entertainment nightclub business was characterized by small establishments generally managed by their owner. Operating policies of these establishments were often lax, the sites were generally dimly lit, standards for performers' personal appearance and personality were not maintained and it was customary for performers to alternate between dancing and waiting tables. The quantity and quality of bar service was low and food was not frequently offered. Music was usually "hard" rock and roll, played at a loud level by a disc jockey. Usually, only cash was accepted. Many businessmen felt uncomfortable in such environments. Recognizing a void in the market for a first-class adult nightclub, we designed Rick's Cabaret to target the more affluent customer by providing a unique quality entertainment environment. The following summarizes our areas of operation that distinguish us:

Female Entertainers. Our policy is to maintain high standards for both personal appearance and personality for the entertainers and waitresses. Of equal importance is a performer's ability to present herself attractively and to engage in conversation with customers. We prefer that performers who work at our clubs be experienced entertainers. We make a determination as to whether a particular applicant is suitable based on such factors of appearance, attitude, dress, communication skills and demeanor. At all clubs, except for our Rick's Minnesota location, the entertainers are independent contractors. We do not schedule their work hours.

Management. We often recruit staff from inside the adult entertainment industry, as well as from large restaurant and club chains, in the belief that management with experience in the sector adds to our ability to grow and attract quality entertainers as well as clientele. Management with experience is able to train new recruits from outside the industry.

Compliance Policies/Employees. We have a policy of ensuring that our businesses are operated in conformity with local, state and federal laws. In particular, we have a "no tolerance" policy as to illegal drug use in or around the premises. Posters placed throughout the nightclubs reinforce this policy, as do periodic unannounced searches of the entertainers' lockers. Entertainers and waitresses who arrive for work are not allowed to leave the premises without notifying management. If an entertainer does leave the premises, she is not allowed to return to work until the next day. We continually monitor the behavior of entertainers, waitresses and customers to ensure that proper standards of behavior are observed.

Compliance Policies/Credit Cards. We review all credit card charges made by our customers. We have in place a formal policy requiring that all credit card charges must be approved, in writing, by management before any charges are accepted. Management is trained to review credit card charges to ensure that the only charges approved for payment are for food, drink and entertainment.

EXHIBIT E



Transcript

August 8, 2013 - 4:30 PM Eastern

Third Quarter 2013 Earnings Conference Call and Webcast

[Return](#)

Transcript of Rick's Cabaret International Third Quarter 2013 Earnings Conference Call & Webcast August 8, 2013

Participants

Allan Priaulx – Investor Relations
Eric Langan – Chairman, CEO & President

Analysts

Eric Beder – Brean Capital
Igor Novogorodtsev – Lares Capital LLC
David Mau – Belmont Acquisitions
David Spire – Mitre Capital

Presentation

Operator

Greetings, and welcome to the Rick's Cabaret International Third Quarter 2013 Earnings Conference Call and Webcast. At this time, all participants are in a listen-only mode. A brief question and answer session will follow the formal presentation. (Instructions given.) As a reminder, this conference is being recorded.

It is now my pleasure to introduce your host, Alan Priaulx, who is with Rick's Cabaret.

Allan Priaulx – Rick's Cabaret International – Investor Relations

Thank you, Bob. I just want to remind everybody that our Safe Harbor Statement is posted at the beginning of our PowerPoint presentation. It reminds you that you may hear or see forward-looking statements that involve a number of risks and uncertainties. I won't go into the entire statement on this call, but I do urge you to read it, as well as the explanation of non-GAAP and adjusted EBITDA measurements that we use and that were included at the bottom of our PowerPoint. I'd also like to remind you that our press release and the 10-Q are posted on our website www.ricksinvestor.com, as is the presentation itself.

Finally, I'd like to invite everyone in the New York City area to stop by Rick's Cabaret tonight at 50 West 33rd Street between 5th Avenue and Broadway for our Due Diligence Ball. It's a great opportunity to visit with Eric Langan, to get a first-hand behind the scenes look at our flagship club.

Now, it's my pleasure to present to you our President and CEO, Eric Langan. Eric?

Eric Langan – Rick's Cabaret International – Chairman, CEO & President

Thank you for taking your time today. We'll begin the conference call with an overview. We're going to talk about the Q3-13 financial results, the debt update, and cash-flow. We'll talk about our new project status; where we are with those projects and what we're doing; review our shareholder value strategies, industry roll-up and diversification update, kind of let you know where the industry is as a whole, how we think we stand in the roll-up of the industry; and talk about our diversification and why we're working on that; talk about the pain of the last four years for the company and our shareholders, and how that's now behind us; and how we're looking forward to the remainder of 2013 and 2014. Then, we'll end the call with a question and answer session.

Starting with 2013, \$28.3 million revenue in the third quarter; a total consolidated increase of 18.3% from the previous year. Strong contribution from our Jaguars acquisition and the Bombshells of Dallas, which we're very happy with. Both of those are doing very well, and our New York and Minneapolis markets both performed very well in this quarter.

Income from operations: GAAP number, \$5.7 million; non-GAAP, \$7 million, with adjusted EBITDA of \$6.9 million. Our GAAP net income of \$0.23 per share was impacted by \$540,000 in one-time unusual expenses in settlements of lawsuits.

Those one-time are unusual expenses are mainly the start-up costs from any location that's not still open. Once we open a location, we're going to take them out of there and actually that'll just be under the start-up costs of opening that location. Then, we had the settlement of two lawsuits that were pending that we're very happy to get rid of. Non-GAAP net income, \$0.35 per share. GAAP operating margins 20% versus 16%, so we're starting to see the operating margins increase. Cash flow from operations, \$14.2 million for the nine months, and we've invested \$9.1 million cash in property equipment and businesses in this nine month period.

Our debt update: \$76.5 million in total long-term debt of which \$39.5 million is real estate related debt; 28.7 million is subsidiary level debt from club acquisitions. The collateral on these loans are basically the businesses that we acquired.

The parent company level debt is at \$8.3 million. Our current portion of long-term debt is \$7.8 million, which means we're paying off approximately—we're pretty close to \$2 million a quarter on our long-term debt. And our pre-interest expense is \$1.9 million or 6.6% of revenues, well within our level of what we want to keep that at. Accelerated pay down of high-interest in the first nine months on the Tootsie's debt, which now stands at \$6.06 million, and we're going to continue to work on accelerating and paying down that debt as quickly as possible since it's our highest interest rate debt.

Update on new projects: we now have 37 locations open with six more in the works; several more under consideration. The Ricky Bobby Sports Saloon in Fort Worth opened successfully two weeks ago, exceeding our expectations with over \$80,000 in sales the first week and over \$90,000 in sales last week. We expect that location to continue to grow.

The Bombshells in Dallas continues to exceed our expectations, averaging over \$65,000 a week in sales now and still growing. This is the off-season for the sports bar market. So we really expect as we move forward -- as football starts up next week with full pre-season games and then as we move later into the season with basketball and hockey as well, especially in the Dallas market where the Stars and Mavericks play right down the street from our location -- we expect to see that location continue to do even better.

We currently have a building under contract in Beaumont, Texas, to do a Bombshells. We're also moving forward on the Rick's Cabaret site in Houston, which we closed due to the fact that we weren't really making any money at that location. The operating losses there were continuing to increase, so we decided to close that location, and we're looking at the possibility of putting in a new Jaguars on that site.

Our Vivid Cabaret in L.A.: We had a little soft opening for a day, and now we're waiting for our final approvals for our business license. We did a little showcase there, and that location should formally open sometime in Q-4. And, we're on schedule with the construction at the New York Vivid location, which should open in the first quarter of 2014 as well.

The Temptations Beaumont location is another location we have going. It is scheduled to open August 15th and it should open on time. Our permits are in place there for us to open that location. We're currently waiting for the liquor license approval, but we're going to open without the liquor license at first as a BYOB and then when the liquor license is issued, we'll convert the concept to full liquor.

The Rick's Cabaret Odessa is scheduled to open in the first quarter of 2014. We have approximately four weeks left on the construction up there according to contractors, and we look forward to getting that location open as soon as possible. That will be full-liquor with kitchen, and we suspect that'll do very, very well in the location. It is up there in the Odessa market, which is really booming right now with the oil industry.

Under consideration right now, we have a Bombshells location in Houston that we're currently doing some research on, and a Bombshells in Austin that we are currently working on as well. We also are looking at several other acquisition targets in the adult club market that we hope to put together and be able to announce in the near future to continue to keep our growth at our 20% to 30% range that we're focused on.

Focusing on shareholder value: we're focusing on higher profit customers, meaning our same store sales may decline a little, because we're not just trying to fill seats like we were doing through the recession, and now we're looking for customers that we can actually make money off of. While our same store sales may decrease a little at certain clubs, we're going to see better margins going forward as we do less discounting.

We've completed our initial \$5 million stock buyback; purchasing 756,087 shares at an average price of \$6.61, and we are now into our new \$3 million buyback, which has \$2.45 million remaining in it. We're continuing to explore ways to increase the value of or use the locked up value of our real estate; including the exploration of a REIT. After talking with several banks that specialize in REIT formations and REITs, we realize that we're still probably a little too small to do a REIT on our own. We're talking with several other club owners, and we'll be out at the Gentlemen's Club Owners Expo in Las Vegas on the 20th through the 22nd talking with other owners to start exploring the possibility of maybe having several club operators putting our real estate together and forming a REIT as a way to pull, you know, cash out for the company to continue expansion, as well as looking at leveraging those real estate assets.

One of the most exciting developments recently is a new bank loan that we were able to achieve at prime plus 1.5 with a 6.25% rate on some real estate that we just refinanced in Austin, Texas. And we're talking with that bank and a few others about possibly lowering some of our other interest rates on existing real estate, as well as setting up a possible line of credit to expand our restaurant operations. We're very excited that the bank loans seem to be coming back. This is the first real bank loan we've been able to do since 2008 during those acquisitions, so we're very happy with that.

We're also looking at possible sale leasebacks with options to repurchase our property at a later time, which -- provided we can get, you know, decent interest rates on -- would give us the benefit of unlocking some of that cash for expansion.

One of the other things we're going to be working on very hard is presenting the company at investor conferences. We've already booked several conferences between September and December. We're looking to get into a couple more and hopefully, you know, get out there and at least once or twice a month and tell our story and promote our company.

Going forward with the presentation, the Rick's Then and Now slide; I really, want to tell you how we

got to where we are. We've learned from our mistakes. The Vegas acquisition, while at the time seemed like a great acquisition, was a very large acquisition, single club, which put a lot of risk on a single property, similar to what we did in Miami. Of course, in Miami, we were very successful with it; and in Vegas, we were not as successful with it, and the risk of failure on those large acquisitions, I think, outweighs the gain. We've kind of stayed away from those and gone to more multi-club acquisitions like the Jaguars, so if we have a single property that has a problem, we still have that acquisition spread out over many other cities and clubs.

The issues with closing the acquisitions on time, when we think we're going to have a certain acquisition similar to the VCG acquisition. So we've really looked at smoothing that growth out so that we can have a nice steady growth, so we don't have 40% growth in one quarter and 10% growth in the next quarter or 3% growth one quarter and 35% growth in the next quarter. We're trying to achieve a nice steady growth pattern. That's why we like the sports bar/restaurant/live music venues, and that's why we think they make sense is because we can project, okay, these venues are going to do \$3 million to \$5 million, with profit margins, 15% to 25% depending on the volumes. Okay, we can go and open three in this market and two in that market and guarantee percentages of growth and revenue growth and earnings growth. We're really looking at those as well to complement, not to replace, the acquisition of other existing adult clubs throughout the company.

Why owning our real estate is so important: In the adult market, the licenses go with the properties, and because of the zoning, they can't be moved; they can't be switched. The nice thing about the sports bar/restaurant/live music venues is that we can actually lease buildings, because if our landlord comes in and jacks up our rent we can always move down the street or to another part of town, which we can't do with the adult.

We're especially excited about our 50 West 33rd Street acquisition, as that location generates a lot of revenue and a lot of net income for us. We've been going through a lot of changes on this deal. It's kind of evolved as we've come along.

We have looked at purchasing the entire property, including the air rights, for \$23 million. It's kind of evolved; we had a group that made an offer to purchase 10 FAR from us -- which is basically two-thirds of the air rights, which was the residential air rights -- to move to an adjacent property, for \$8 million, which means we would get our building and still have a 5 FAR to still build 20,000 square feet of commercial space there, for \$15 million. We've gone to the landlord, and we had some financing set up. The landlord decided that he would beat that financing, and the owner financed for us, so we talked to him. Then, we decided after talking to the tax attorneys there were other issues and that he would do a lease modification with a right to purchase the property at anytime during the lease when we can cash him out, thus saving him some tax dollars until we actually cash the property out. Now it looks like we're going to buy and sell the air rights in one transaction and buy our property in another transaction by entering into a lease modification until such time as we buy our properties for the remaining \$10 million after funding \$13 million in cash at the closing on the air rights.

It's a very complicated transaction. There are a lot of taxes in New York that we have to be aware of and look for that we don't see in other states, when you sell and transfer real estate. We've got the experts working on that for us and keeping us out of any trouble on that and making sure that we minimize the price that we're paying. And the landlord's working, of course, to maximize his profits on selling us that property.

If you look at our forward growth strategy, we've achieved 18% growth so far this year. I think that as we continue to grow with the Ricky Bobby's opening, and some of the other clubs we have opening, that we're on target to achieve our 20% to 30% growth target. We continue to expand these non-adult concepts. With Bombshells we are looking for additional locations. And now as we move forward with Ricky Bobby's if the Ricky Bobby Sport Bar continues to grow we can develop that format as well. They're similar, but they're really non-competing deals, because they basically cater to a different type of customer base -- very similar to our Rick's Cabarets and our Cabaret concept that we've gotten very good at doing.

Also, continuing to acquire existing clubs on favorable terms. You know, we're not just looking to go out and acquire anything just to acquire stuff. We want to make sure that our return on cash is good. We want to make sure that, you know, we're not getting ourselves into a lease where we're going to have our rent jacked up on us sometime in the future. We want to try to buy our properties when we can.

We believe there are 500 clubs in our acquisition universe, and basically we own less than 50 of them right now. We believe there's a huge potential to continue to grow in that market as well. I think that as we continue to grow with the real estate, hopefully, we're going to be able to use more bank financing for the real estate, which will lower our cash out-of-pocket costs on the real estate, which hurts our overall return on investment, because the return on the real estate is much lower than the return for the actual operating company.

Looking at our outlook for 2013 and 2014; we're in the prime season on a roll with our 20%-30% growth target in sight. Our earnings are increasing. Our revenues are increasing and as we enter October, November, December, which is typically the beginning of our prime season going forward and then hitting January, February, March. Last year, you know, we had a little down turn mainly because of hockey was not going on; the Super Bowl wasn't in one of our cities. Well, next year, the hockey season should be on course and fine. The absence of hockey at Madison Squasre Garden won't affect New York as much next year. And we're going to have the Super Bowl in New York City, which we think will be great for us. Plus, we'll have the new Vivid Cabaret open.

We do believe that the Vivid and the Rick's are complementary concepts, not competing concepts, very similar to our Rick Cabaret and our Cabaret North in the Fort Worth and Dallas market, the Downtown Cabaret and the Rick's Cabaret in Minneapolis, which are both complementing each other. They're both doing very, very well with their demographics. We think we can duplicate that in New York City as well.

We're also going to continue to reduce our high-risk debt. Again, working with the bank, so I think that's going to help. The bank financing should, hopefully, help as we move forward. You know, we're getting to the point where we're starting to generate tons and tons of cash as we open these locations. We're starting to get farther and farther along in the construction, so the cash out waves that we've been having -- in L.A. and New York at the Ricky Bobby's and at the Bombshells -- those cash out waves are going to slow down. As they actually start generating revenue, we're going to see kind of a double turn around on that of our actual cash.

We'll also continue to explore, like I said, the best use of our real estate holdings. I do think that as we move into 2014, we're going to find a way to unlock that hidden value of all that equity we have in the real estate, either through some type of REIT, through some type of sale leaseback program, or through bank financing where we are able to go in and borrow money against our wholly-owned and free and clear property, pulling cash in for expansion.

Our vision for '14; I think the Company will continue to grow. I'm very excited about the prospects of our growth going forward. We're talking with several operators on a couple of multi-club acquisitions, which would add several clubs at one time. You know, as our stock price performs, we may have another way to raise capital through equity. So there are lots of forms and ways for us to fund this growth. Obviously, we're going to use whatever works best and is the least dilutive to our shareholder base.

This brings me to a very important thing that I think needs to be said: I own a very large portion of the company. Not in terms of, you know, 50% or anything, but my 12.4% holding is still over 90% of my personal net worth. My personal net worth is basically tied to the success of Rick's and what Rick's does. I've continued to buy stock. I've never been a net seller of Rick's stock, and I will continue to buy additional stock, because I believe it's the best investment I can make, especially at the current price levels.

With that said, I'd like to take the question and answer session at this time.

Operator

Thank you. We'll now be conducting a question and answer session. (Instructions given.) One moment while we poll for questions.

Our first question comes from the line of Eric Beder with Brean Capital.

<Q>: Hello. Good afternoon.

Eric Langan – Rick's Cabaret International – Chairman, CEO & President

Good afternoon, Eric. How are you?

<Q>: I'm alright. How are you doing?

Eric Langan – Rick's Cabaret International – Chairman, CEO & President

I'm hanging in there. Fighting the fight every day, having fun.

<Q>: The way it should be. In terms of the restaurant, you're now, you know, expanding Bombshells, what should we think about as the end game for the restaurant group and can they do the returns that you get from a regular nightclub?

Eric Langan – Rick's Cabaret International – Chairman, CEO & President

I think the main thing everyone has to realize is these are not typical restaurants. We're running 50/50 liquor. Actually, Ricky Bobby's is running even a little higher than 50/50 liquor, so we're really a bar. What I like with them is we're a themed sports bar with a restaurant that converts into a live music venue when the sports end. We're basically a destination location and an entertainment place where people come to entertain and hang out and not just come and grab dinner and go home.

You know, I think the end game is, I mean, we've got lots of options today. We can keep growing it and growing it ourselves, so we grow it internally. At some point, we prove the concept, we lay it out, and we franchise, you know, we can start doing partners. At some point, we may build it to a certain point and maybe somebody buys it from us, giving us, you know, a big influx of cash to grow our adult business. I think we just have lots and lots of positives with it.

As far as the margins go, you know, based on the layout on an approximately \$3 to \$3.5 million a year location, you know, we think that we can get the margins around 20%. That's a little lower than, you know, say some of the strip clubs, especially the high-volume strip clubs, but it's right in line with, you know, with the basic club. I think we can grow it pretty successfully.

<Q>: Okay. In terms of the clubs, is there a geographic area you're looking for in acquisitions or is this really just kind of the best deal that fits in with your criteria?

Eric Langan – Rick's Cabaret International – Chairman, CEO & President

Well, you know, if we do multi-club, obviously, we'd like some clustering in the acquisition, which is typically how operators operate. You know, they open up in general areas, so that could get us into some new areas. The Jaguars acquisition, while it was in Texas, was still in some fairly different geographic areas that we didn't operate in, so we're very happy with that. Then plus, it also got us a location out in Phoenix; so that helped. We're really looking at clusters as well as single acquisitions that are complementary to our existing operations, which makes it very easy, you know, for us to operate and, of course, save money by cross-marketing and purchasing powers.

<Q>: Okay. Finally, you've hired some new people, taking on ... for that kind of work; what should we expect those people to do that they haven't done before in terms of the beverage people and some restaurant people?

Eric Langan – Rick's Cabaret International Inc – Chairman, CEO & President

Yes. With the beverage guy that we've hired, he's been setting up national accounts for us, national marketing stuff, which is lowering our cost of goods sold by getting us the same price in every market, getting us discounted prices for product placement in multiple markets, and volume discounts. Because when you track multiple locations and all the buying that we're doing, we

become a much larger purchaser, and we're able to shrink those prices down as well.

Then, of course, with energy drink companies, we've been able to work out some deals with an energy drink company and that's lowered our cost on energy products. We're doing the same thing now with the food as we expand the restaurants. On some of the products we sell at all our Rick's locations we're able to get discounts on specific items or products as we grow, and I think we'll continue to see more and more of that as we get larger and larger. That's really what his job is about.

On the restaurant side, you know, we've brought in a guy who worked for Planet Hollywood for several years and who's done multiple restaurant startups. He's starting to help launch these restaurants, help us find the new locations, and do kind of the things that have been his expertise. We understand the adult club business, and we understand the liquor side of it and the bar side of it. He's really helping us to learn and understand and develop our systems for our food service, and it's made a dramatic difference.

When he came on board, the Bombshells location was doing about \$35,000 a week and now it's consistently doing about \$65,000. I think, during the NBA playoffs, we had a couple of \$80,000 weeks and, you know, it's very exciting. The quality has gotten better. The reviews and the amount of positive customer response have gone up drastically since he's been on board.

<Q>: Great. Thank you and good luck.

Eric Langan – Rick's Cabaret International Inc – Chairman, CEO & President

Thank you.

Operator

Thank you. (Instructions given.)

Our next question comes from the line of Igor Novogorodtsev with Lares Capital LLC. Please proceed with your questions.

<Q>: Hello. Thank you for taking my questions. A pretty nice quarter.

Eric Langan – Rick's Cabaret International Inc – Chairman, CEO & President

Thank you.

<Q>: A couple of questions; can you just tell me, I know that you settled a couple of lawsuits and you have several outstanding. Can you just tell me which lawsuits you have settled and what is still outstanding?

Eric Langan – Rick's Cabaret International Inc – Chairman, CEO & President

Sure. We settled a claim that was in excess of our insurance coverage dating from 2009. We had had several claims around the country under that policy, under our assault and battery policy, which has a \$1 million limit, so we settled a claim there that cost us about \$160,000 in addition to what the insurance company policy had left on it. We figured that was the easiest way to dispose of that claim and move forward, kind of finishing out our 2009 claims that we had possible uninsured claims on so that was nice to move forward from that year.

Then, we also settled the lawsuit with the landlord in Las Vegas on a Las Vegas property. When we closed the Las Vegas property he made claims that we owed them several million dollars in rent and what not, and that case was preparing to go to trial in Nevada. We were going to have some pretty hefty trial expenses and discovery and what not, and so we were able to work out a settlement that got rid of that claim as well.

<Q>: The minimum wage issue that was filed in New York is still outstanding, right?

Eric Langan – Rick's Cabaret International Inc – Chairman, CEO & President

Yes. Well, it's actually whether their employees are independent contractors is really what's at

stake there. We're working on that now. We had oral arguments. There's a motion for summary judgment, and then, basically, we're basically waiting on the court, so we're kind of in hurry-up-and-wait mode to kind of see what all the different issues are going to be, that are going to be facts of the law that we have to do and what not. Then, we'll go from there. I still think that it'll probably be another year plus before we really know what's going on. We'll probably get some summary judgment rulings here in the next few months that'll kind of give us an idea of what the judge is leaning towards, what he's thinking and what not. Then, of course, we'll see if we believe if it's a class or not; whether we should move for a class C certification on the case based on what the judge does, and those types of things. There are still a lot of open issues, so nothing's really changed at this point. We're still kind of in a waiting mode.

<Q>: Okay. I guess from a positive side of the lawsuits, I know that you were in a lawsuit with the state of Texas about a Patron Tax, and you actually were thinking that you could actually win the case. Was there any movement on that?

Eric Langan – Rick's Cabaret International – Chairman, CEO & President

There has been no movement at all. We thought we were going to get an agreement worked out with the other side in passing legislation in the last legislative session. Of course the Texas legislature is now recessed and won't meet again for two years, so we'll probably get some type of court ruling that will either be appealed or move forward in that time period. So right now, you know, basically, at the mercy of the courts, waiting for the appeals court to make some decisions in that case as well. It's kind of a hurry-up-and-wait. In the meantime, we continue to expense the Patron Tax, but we're continuing not to pay that patron tax.

<Q>: Okay. I'm just curious; I assume the worst case scenario is you'll lose the case; would there be additional charges, interest charges, or penalties applied, or just what you accrued?

Eric Langan – Rick's Cabaret International – Chairman, CEO & President

You know, no one really knows how that's all going to work at this point. We basically got an agreement to stay the collection. We've filed reports. We're filing the forms and, you know, I guess what's really going to happen more than likely is, if the judge makes a ruling, I would assume that at some point during the appeals process, that everyone will reach some type of settlement is my guess.

On this deal, you know, obviously, if they win the tax, they don't want to close all the businesses down, because they all go bankrupt, because they can't pay what they owed in the past. They want to start collecting the money. You know, I would assume they'd work out some type of payment plan or some type of settlement on a go-forward basis.

We don't consider that a super high risk at this point, because we just believe that under Texas law, even the judge tried to make some changes in—you know, there's a lot of precedent case law that really says that the legislature has to make those changes, not the judiciary section of the government. I guess we're just basically going to have to sit and wait. I wish we had more information on it, but we really don't know.

I don't think anybody—even, the lawyers aren't really 100% sure. It's kind of new stuff as it moves through the courts. The reality of it is we'll probably know in about three to five years.

<Q>: Okay. My last question is sort of on the overall state of things. You're opening or you just launched Vivid Cabaret in Los Angeles and you're opening one in New York. Obviously, it will take a few months to see how well the concept is working out. But I'm just curious: Vivid, obviously, being the world recognized brand, if this cabaret concept works out, do you plan to have any other developments of these cabarets or rename any of your existing clubs as Vivid Cabarets? And what's the....

Eric Langan – Rick's Cabaret International – Chairman, CEO & President

I mean, we've had discussions. Right now, we want to see—you know, we want to open them and we want to see what happens. We want to see the response. We want to see how their marketing plan works.

They've got lots of internet access. They have cable television stations. They have Sirius radio stations, so we just want to kind of see how it all works and how iVivid promotes, how many people they bring to through the doors of the clubs, and how the Vivid Girls' performances at the clubs draw customers in.

As we move forward, if the relationship's working, absolutely, we would love to continue to expand that concept and grow it. Like I said, it's not exactly a competing with Rick's Cabaret concept. It's a little different concept. It's more of a party. It's more of a nightclub concept with entertainers; where Rick's is more of the raw gentlemen's club concept.

I think that as we move forward, I think we're going to be very happy with the relationship and I think Vivid will too. We've gotten along with them for many, many years. It's a relationship that goes back -- we've talked about other things together and done some other things here and there together -- and I think that this is going to be a very successful concept for both of us.

<Q>: You don't disclose how much you're paying Vivid for using their name?

Eric Langan – Rick's Cabaret International – Chairman, CEO & President

Actually, we have nondisclosures to not disclose that at this time. You know, obviously, once we are operating and the revenues are going, it's going to be pretty easy to figure out.

<Q>: Alright. Great. Thank you very much.

Eric Langan – Rick's Cabaret International – Chairman, CEO & President

Yes. Thank you.

Operator

Thank you. Our next question comes from the line of David Mau with Belmont Acquisitions. Please proceed with your questions.

<Q>: Hello, Eric. How are you? Congratulations.

Eric Langan – Rick's Cabaret International – Chairman, CEO & President

Good, thank you, David. How are you?

<Q>: Doing well. Thank you. I just have a quick question for you. You know, you obviously have gotten past the last four years of some restructuring; have you thought about forward guidance at this point and how that might help the investing public look at you guys in terms of the organic growth versus what you are doing in acquisitions?

Eric Langan – Rick's Cabaret International – Chairman, CEO & President

Yes. Certainly. I mean, we were working on guidance and we tried to put some guidance into this call. We've decided that it was just a little premature. We want to kind of move a little bit later in this quarter, but before the quarter end or before our fiscal year end, we expect to get back to a guidance model for 2014. I suspect some time before September 30th we will get that guidance out to the public, because we want to kind of let everybody know what our plans are going forward.

We think it's going to be much easier and more predictable. Like I said, with the ability to open up restaurant concepts we'll have a nice steady growth. And we'll know if we get a surprise acquisition, it'll be a surprise we can deal with. Instead of like in the past where we thought this acquisition was going to close but it didn't and surprised us in the wrong direction. Yes, I think we'll definitely be back to some type of guidance model before the end of the quarter.

<Q>: Very good, and a second follow-up question; you have Ricky Bobby's just opening, Bombshells is a new concept, at what point do you expect those businesses to be, let's say, a significant portion of your business on a per club basis, as well as an overall revenue basis?

Eric Langan – Rick's Cabaret International – Chairman, CEO & President

It looks like these concepts are going to be inline with what we expected. It's somewhere between \$3 million and \$5 million in annualized revenues. As you know we've said we're looking at three new Bombshells locations right now and on one, we actually have the building under contract. It's an owner financed deal for an old restaurant nightclub. So as we move forward, we're finding some restaurants where the owners weren't successful in the past, because they opened the wrong type of food service or something in the area, but they had a great location. We're starting to find those types of locations and looking at some right now. A much cheaper convert for us, right? The kitchen's already built; the bathrooms are pretty much already built; so everything we're going to do is basically cosmetic. Instead of having to spend \$1 million to \$3 million, like we did with the Bombshells refurb, which had never been a restaurant before, or the Ricky Bobby's, which we built from the ground up, we believe we can do these in the \$500,000/\$600,000 range in total start up costs.

We're currently looking at two projects like that right now; one in Austin and one in Houston. We're going to continue to look, of course, in the Dallas/Fort Worth market, expanding the brand in that market as well. But we've got some pretty serious leads on specific pieces of property in the Austin and the Houston market that we're working. To answer your question, I think probably, let's say we open two to three more—say we open three more by March of '14. We continue to grow, continue to look and find, as we move into October, we have three or four more lined up, and it could be \$15 million/\$20 million worth of revenue pretty quickly, you know, by the end of fiscal 2014.

<Q>: Very good. Appreciate it, and once again, congratulations and great talking to you.

Eric Langan – Rick's Cabaret International – Chairman, CEO & President

Yes, thank you, David. Appreciate it.

Operator

Thank you. (Instructions given.) Our next question comes from the line of David Spire with Mitre Capital. Please proceed with your question.

<Q>: Hello, Eric. How's it going?

Eric Langan – Rick's Cabaret International – Chairman, CEO & President

Good. How are you?

<Q>: From looking, your numbers are pretty great, actually. Obviously, you guys seem to be doing a fine job managing the business. Looking at it, I think over the last five years, your revenues have gone from almost 30 million annually to over 100 million, earning at the same time 3 million to over 10 million annually. But I think it's at the point where it's pretty clear your shareholders are going to want a piece of the action. Do you know what I mean?

Eric Langan – Rick's Cabaret International – Chairman, CEO & President

Yes.

<Q>: More or less. If you look at even EBITDA over the last two years, it says you generated close to \$60 million in total EBITDA in just two years, at the same time, your mark cap remains under \$100 million. I think you said it yourself; your buying the stock today personally, because you feel it's the best investment around. I'm just curious as to why not boost the share buybacks or pay down debt, instead of more or less acquisitions?

Eric Langan – Rick's Cabaret International – Chairman, CEO & President

Well, I think that's one of the nicest things that we're getting to is we're getting to the point where we're going to be able to do both. In fact, we have. If you look, we've returned \$1.5 million last year, and the first nine months of this year, we returned almost \$1.5 million in our stock buyback program; in addition to paying an additional \$600,000 in debt reduction just on the Miami debt. Forget the fact we've also paid off a couple of other loans early, paid back the \$8 million convertible debenture that we had done in 2009. That's all completely paid off and gone.

I think you're starting to see some of that—we're taking some of our extra cash and going, okay,

we're growing here, and we've got enough money to do all this growth, we've got access to capital where we can borrow the capital cheaper than the return on the growth, so let's figure out how to best use this other cash and increase our earnings per share. At the end of the day, the stock's going to come back to a mean. It's going to trade at some type of multiple based on the earnings per share, the cash flow, and our rate of growth.

<Q>: More or less, what I was, you know, more or less referring to is if you look at the acquisitions so far, they've been great and obviously you can see by the numbers; if you were to put a run rate numbers on your current earnings tower, you're looking at something that should be north of a \$200 million company. More or less, what I'm more referring to right now is that okay, the acquisitions have been great, so if we're looking at the use of capital, the focus, as what I hear you're saying, is true, the focus really should be on shareholder value, rather than acquisitions at this point. Just because at the run rate you're going, you're going to be generating enough cash where you know the cash should be going back into the business and not into further business.

Eric Langan – Rick's Cabaret International – Chairman, CEO & President

But we've just recently gotten to this point. Yes. Okay. I understand what you're saying. I'm sorry.

<Q>: Yes. more or less, I'm congratulating you, but I'm saying for now it seems as if you're at a stalled run rate and at this point, you know, shareholder buybacks or anything ... you're heavily invested in the company as well. You know, the best return would be buy back your stock or do whatever you could just to bring the value out of the business, because I think if that's done, we'll all be a lot wealthier in a—you know, in a given time, because I think, as I said, this is a \$200 million company and it's not trading as it is.

Eric Langan – Rick's Cabaret International – Chairman, CEO & President

If you look at us in trades compared to other restaurants, sports bars, or whatever entertainment companies, you can kind of pick a whole menage of different types of businesses that are similar, but not the same, because there's really nothing that's exactly the same as us, but if you just take and cover up the names—cover up the names, don't even look at the names, cover up our name, cover up all their names and just put the financials down side by side, side by side, side by side, look at the rent expenses that they're carrying, look at their debt ... you know, their debt expenses that they carry. You know, most of them don't carry a lot of debt, but look at their rent expense. Their rent expense runs you know, 9%, 10%, 11% of revenues. If you took our rent and debt together, we're at eight something. Take just the numbers and compare them side by side, then look at the market caps and look at the EBITDA numbers, and you'll see we're going to be the cheapest thing on the table.

I don't think you're going to find anything that trades at the multiples on a go-forward basis that we're trading on and that's one of the things as we work and move in to giving guidance that we really want to lay out to investors, and we think we're going to get out and tell our story for the next four months very hard, very strong and then continue to build and work those relationships with the institutional investors.

It was hard, because we had a lot of relation with institutional investors, but then the institutional investor market just got slaughtered, you know, after 2009 and 2010. All those relationships we'd developed and worked—you know, it's not that we had any problem with those relationships; it's that those businesses themselves had huge problems and cash calls, and we were a pretty good winner for them, so a lot of our stock was sold.

<Q>: Yes. I understand what ... I really want to congratulate you on the business and more or less saying I just hope that translates in to a higher stock price. I just would like to see that would be the focus, because all in all, we can make \$10 million/\$15 million in a year, but if the investors don't see any of that money after a few years, it becomes a problem so again.

Eric Langan – Rick's Cabaret International – Chairman, CEO & President

As the largest shareholder of the company, I promise, I want to see the stock price up.

<Q>: Exactly

Eric Langan – Rick's Cabaret International – Chairman, CEO & President

It's not that I want to buy any more. I'd love to diversify some of my holdings and own other and make other investments, but it's hard to do that when I, like I said, lay out finances of other companies and go, gee, I can buy this buy my own company much better multiples.

<Q>: Understood. With this it was understood that when you look at other acquisitions, take a look at your company, and you'll see that that's probably the best thing to buy around. That's more or less where I'll leave it, but again, thank you very much and congratulations.

Eric Langan – Rick's Cabaret International – Chairman, CEO & President

Appreciate it. Alright. Thank you.

Operator

Thank you. There are no further questions at this time. I'd like to turn the floor back over to management for closing comments.

Allan Priaulx – Rick's Cabaret International – Investor Relations

Alright. Thank you, everybody, for participating in our conference call. Again, any of you who are in the New York City area tonight, please stop by Rick's Cabaret, meet Eric, and get a quick tour of the club and a really in-depth look at how we operate. We do appreciate your calling and, as always, if you have further questions, please address to them to ir@ricks.com. Thank you very much.

Operator

Thank you. This does conclude today's teleconference. You may disconnect your lines at this time. Thank you for your participation.

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EXHIBIT F



Rick's Cabaret International, Inc. Reports 1Q14 Results, Provides 2Q14 Update & Reaffirms Guidance

HOUSTON – February 10, 2014 – Rick's Cabaret International, Inc. (NasdaqGM: RICK) today announced results for the 2014 first quarter ended December 31, 2013, while also providing an update on sales growth experienced to date in the second fiscal quarter (ending March 31, 2014) and reaffirming previous guidance for Fiscal 2014.

"With the exception of the impact of unusually severe winter weather in mid-December in our important Texas markets, results are progressing according to plan with our gentlemen's clubs and restaurant/sports bars," said Eric Langan, President and CEO of Rick's Cabaret International.

"Revenues at our Rick's Cabaret and Vivid Cabaret New York clubs in New York City were excellent in January and early February, as we capitalized strategically and financially on the pro football championship game this year across the Hudson River in New Jersey.

"In addition, we continue to be engaged in a program to maximize the value of our extensive real estate, and overall we look forward to strong growth in Fiscal 2014."

First Quarter 2014 Summary

- First quarter 2014 revenues of \$29.4 million increased 8.4% from \$27.1 million in the year ago period. First quarter 2014 results were negatively impacted by severe ice storms in mid-December in Texas, a state representing approximately 75% of the Company's units and generating approximately 50% of sales.
- Rick's earned \$2.4 million, or \$0.25 per diluted share (on a GAAP basis), compared to \$2.6 million, or \$0.28 per diluted share, in the corresponding year ago period. The weather is estimated to have resulted in approximately \$500,000 in lost sales of which approximately 80% would have contributed to operating profit.
- First quarter 2014 results were also impacted by planned expenses associated with the development of five units (adult gentleman's clubs Vivid Cabaret in New York City and Rick's Cabaret in Odessa, TX, and Bombshells restaurant/sports bars in Webster, Beaumont and Austin, TX).
- Despite the above factors, the cash generating power of Rick's remained strong. Adjusted EBITDA* for the first quarter of 2014 was \$7.3 million, approximately level with the year ago period.
- The Company had 41 units open during the first quarter of 2014, including nine open less than a year.

Second Quarter 2014 Update

Second quarter 2014 sales as of the end of last week were up strongly compared to the year ago period due to:

- Opening of Vivid Cabaret New York in mid-January and a second Bombshells, in Webster, TX, in late January.
- An overall beneficial effect from the February 2, 2014 professional football championship.
- Continued seasoning of new adult clubs and restaurant/sports bars open less than a year.

"We had a terrific success due to The Big Game this year," said Mr. Langan. "It truly was a non-stop party at both the Vivid and Rick's clubs in New York. Based on this, we expect continued success when the Big East and NCAA Regionals college basketball championships come to New York City in March."

FY14 Guidance Reaffirmed

- Rick's reaffirmed its fiscal 2014 guidance of approximately \$130 million in revenue, \$1.70 earnings per share non-GAAP, and \$1.20 earnings per share GAAP, based on a continued strong performance company-wide from existing units over the balance of the year, plus contributions from new restaurant/sports bars already opened and those planned to open.
- Plans for the balance of the fiscal year include the expected opening of a new adult club (Rick's Cabaret in Odessa) and three new Bombshells currently under development (Beaumont, Austin and South Houston).
- Rick's expects to have a total of 10 sports bar/restaurants open or in development by year end calendar 2014, with a cluster in Texas and others possibly outside the state in select cities having significant tourist and convention traffic.
- Rick's FY14 guidance does not assume the acquisition of any gentlemen's adult clubs, although they are factored in the Company's longer term multi-year target of 20-30% revenue growth.

Conference Call

A conference call to discuss Rick's results for the first quarter of 2014, outlook and related matters will be held today, February 10, 2014 at 4:30 PM Eastern Time.

- Live Participant Dial In (Toll Free): 877-407-9210
- Live Participant Dial In (International): 201-689-8049
- Webcast URL: <http://www.investorcalendar.com/IC/CEPage.asp?ID=172172>

Meet Management

Eric Langan, President and CEO, invites investors for a "Due Diligence Ball" to meet, talk and tour one of the Company's major clubs, tonight in Manhattan.

- When: Monday, February 10, 2014, 6:30 PM to 8:00 PM ET
- Where: Rick's Cabaret New York, at 50 W. 33rd Street, between Fifth Avenue and Broadway
- RSVP: With your contact information, to gary.fishman@anreder.com

***Explanation of Non-GAAP Financial Measures**

In addition to our financial information presented in accordance with GAAP, management uses certain "non-GAAP financial measures" within the meaning of the SEC Regulation G, to clarify and enhance understanding of past performance and prospects for the future. Generally, a non-GAAP financial measure is a numerical measure of a company's operating performance, financial position or cash flows that excludes or includes amounts that are included in or excluded from the most directly comparable measure calculated and presented in accordance with GAAP. We monitor non-GAAP financial measures because it describes the operating performance of the company and helps management and investors gauge our ability to generate cash flow, excluding some recurring charges that are included in the most directly comparable measures calculated and presented in accordance with GAAP. Relative to each of the non-GAAP financial measures, we further set forth our rationale as follows:

- **Non-GAAP Operating Income and Non-GAAP Operating Margin.** We exclude from GAAP operating income and GAAP operating margin amortization of intangibles, patron taxes, gains and losses from asset sales, stock-based compensation charges, litigation and other one-time legal settlements and acquisition costs. We believe that excluding these items assists investors in evaluating period-over-period changes in our operating income and operating margin without the impact of items that are not a result of our day-to-day business and operations.
- **Non-GAAP Net Income and Non-GAAP Net Income per Basic Share and per Diluted Share.** We exclude from GAAP net income and GAAP net income per diluted share and per basic share amortization of intangibles, patron taxes, income tax expense, impairment charges, gains and losses from asset sales,

stock-based compensation, litigation, loss from discontinued operations and other one-time legal settlements and acquisition costs, and include the Non-GAAP provision for income taxes, calculated as the tax effect at 35% effective tax rate of the pre-tax non-GAAP income before taxes less stock-based compensation, because we believe that excluding such measures helps management and investors better understand our operating activities.

- **Adjusted EBITDA.** We exclude from GAAP net income depreciation expense, amortization of intangibles, income tax, interest expense, interest income, gains and losses from asset sales, acquisition costs, litigation and other one-time legal settlements and impairment charges because we believe that adjusting for such items helps management and investors better understand operating activities. Adjusted EBITDA provides a core operational performance measurement that compares results without the need to adjust for Federal, state and local taxes which have considerable variation between domestic jurisdictions. Also, we exclude interest cost in our calculation of Adjusted EBITDA. The results are, therefore, without consideration of financing alternatives of capital employed. We use Adjusted EBITDA as one guideline to assess our unleveraged performance return on our investments. Adjusted EBITDA is also the target benchmark for our acquisitions of nightclubs.

About Rick's Cabaret

With 43 units, Rick's Cabaret International, Inc. (NasdaqGM: RICK) is the leading hospitality company operating adult gentlemen's clubs and sports bar/restaurants in the US. Adult clubs in New York City, Los Angeles, Miami, Philadelphia, Charlotte, Dallas/Ft. Worth, Houston, Minneapolis, Indianapolis and other cities operate under brand names such as "Rick's Cabaret," "XTC," "Club Onyx," "Vivid Cabaret," "Jaguars" and "Tootsie's Cabaret." Sports bar/restaurants, which also feature live entertainment, operate under the brand names "Bombshells" and "Ricky Bobby Sports Saloon."

For More Information

- Web: <http://www.ricksinvestor.com>
- Twitter: <https://twitter.com/rickscabaretinc>
- Facebook: <https://www.facebook.com/rickscabaretintl>

Forward-looking Statements

This press release may contain forward-looking statements that involve a number of risks and uncertainties that could cause the company's actual results to differ materially from those indicated in this press release, including the risks and uncertainties associated with operating and managing an adult business, the business climates in cities where it operates, the success or lack thereof in launching and building the company's businesses, risks and uncertainties related to the operational and financial results of our Web sites, conditions relevant to real estate transactions, and numerous other factors such as laws governing the operation of adult entertainment businesses, competition and dependence on key personnel. Rick's has no obligation to update or revise the forward-looking statements to reflect the occurrence of future events or circumstances.

Media & Investor Contacts

Gary Fishman and Steven Anreder at 212-532-3232 or gary.fishman@anreder.com and steven.anreder@anreder.com

RICK'S CABARET INTERNATIONAL, INC.
Consolidated Statements of Income

	Three Months Ended December 31,	
	2013	2012
(in thousands, except per share data)	(UNAUDITED)	
Revenues:		
Sales of alcoholic beverages	\$ 11,689	\$ 10,406
Sales of food and merchandise	3,423	2,578
Service revenues	12,730	12,655
Other	1,581	1,502
Total revenues	29,423	27,141
Operating expenses:		
Cost of goods sold	3,747	3,386
Salaries and wages	6,577	6,038
Stock-based compensation	3	282
Other general and administrative:		
Taxes and permits	4,416	4,221
Charge card fees	428	374
Rent	1,228	570
Legal and professional	908	641
Advertising and marketing	1,285	1,109
Depreciation and amortization	1,390	1,320
Insurance	799	499
Utilities	595	489
Other	2,431	2,278
Total operating expenses	23,807	21,207
Income from operations	5,616	5,934
Other income (expense):		
Interest income and other	77	8
Interest expense	(2,012)	(1,643)
Gain on change in fair value of derivative instruments	-	(1)
Income from continuing operations before income taxes	3,681	4,298
Income taxes	1,323	1,584
Income from continuing operations	2,358	2,714
Loss from discontinued operations, net of income taxes	(1)	(14)
Net income	2,357	2,700
Less: (net income) loss attributable to noncontrolling interests	47	(53)
Net income attributable to Rick's Cabaret International, Inc.	\$ 2,404	\$ 2,647
Basic earnings (loss) per share attributable to Rick's shareholders:		
Income from continuing operations	\$ 0.25	\$ 0.28
Loss from discontinued operations	(0.00)	(0.00)
Net income	\$ 0.25	\$ 0.28
Diluted earnings (loss) per share attributable to Rick's shareholders:		
Income from continuing operations	\$ 0.25	\$ 0.28
Loss from discontinued operations	(0.00)	(0.00)
Net income	\$ 0.25	\$ 0.28
Weighted average number of common shares outstanding:		
Basic	9,546	9,575
Diluted	9,855	9,833

RICK'S CABARET INTERNATIONAL, INC. AND SUBSIDIARIES

Non-GAAP* measures for the quarters ended December 31, 2013 and 2012

(in thousands)

	For the Quarter Ended December 31,	
	<u>2013</u>	<u>2012</u>
Reconciliation of GAAP net income to Adjusted EBITDA		
GAAP net income attributable to Rick's shareholders	\$ 2,404	\$ 2,647
Income tax expense	1,323	1,584
Interest expense and income and gain on derivative	2,012	1,644
Litigation and other one-time settlements	120	-
Acquisition costs	-	55
Loss from discontinued operations	1	14
Depreciation and amortization	1,390	1,320
Adjusted EBITDA	<u>\$ 7,250</u>	<u>\$ 7,264</u>
Reconciliation of GAAP net income (loss) to non-GAAP net income		
GAAP net income attributable to Rick's shareholders	\$ 2,404	\$ 2,647
Patron tax	738	891
Amortization of intangibles	89	131
(Gain) loss on change in fair value of derivative instruments	-	1
Stock-based compensation	3	282
Litigation and other one-time settlements	120	-
Income tax expense	1,323	1,584
Acquisition costs	-	55
Loss from discontinued operations, net of income taxes	1	14
Non-GAAP provision for income taxes	<u>(1,636)</u>	<u>(1,863)</u>
Non-GAAP net income	<u>\$ 3,042</u>	<u>\$ 3,742</u>

RICK'S CABARET INTERNATIONAL, INC. AND SUBSIDIARIES

Non-GAAP* measures for the quarters ended December 31, 2013 and 2012

(in thousands, except per share data)

	For the Quarter Ended December 31,	
	<u>2013</u>	<u>2012</u>
Reconciliation of GAAP diluted net income per share to non-GAAP diluted net income per share		
Fully diluted shares	<u>9,855</u>	<u>9,833</u>
GAAP net income attributable to Rick's shareholders	\$ 0.25	\$ 0.28
Patron tax	0.07	0.09
Amortization of intangibles	0.01	0.01
(Gain) loss on change in fair value of derivative instruments	-	0.00
Stock-based compensation	0.00	0.03
Litigation and other one-time settlements	0.01	-
Income tax expense	0.14	0.16
Acquisition costs	-	0.01
Loss from discontinued operations, net of income taxes	0.00	0.00
Non-GAAP provision for income taxes	<u>(0.17)</u>	<u>(0.19)</u>
Non-GAAP diluted net income per share	<u>\$ 0.31</u>	<u>\$ 0.39</u>
Reconciliation of GAAP operating income to non-GAAP operating income		
GAAP operating income	\$ 5,616	\$ 5,934
Patron tax	738	891
Amortization of intangibles	89	131
Stock-based compensation	3	282
Litigation and other one-time settlements	120	-
Acquisition costs	-	55
Non-GAAP operating income	<u>\$ 6,566</u>	<u>\$ 7,293</u>
Reconciliation of GAAP operating margin to non-GAAP operating margin		
GAAP operating income	19.1%	21.9%
Patron tax	2.5%	3.3%
Amortization of intangibles	0.3%	0.5%
Stock-based compensation	0.0%	1.0%
Litigation and other one-time settlements	0.4%	0.0%
Acquisition costs	0.0%	0.2%
Non-GAAP operating margin	<u>22.3%</u>	<u>26.9%</u>

RICK'S CABARET INTERNATIONAL, INC.
Reconciliation of GAAP Earnings Guidance To
Non-GAAP Earnings Guidance
Fiscal Year Ending September 30, 2014

Reconciliation of GAAP diluted net income

per share to non-GAAP diluted net income per share	Low	High
GAAP net income	\$ 1.20	\$ 1.51
Patron tax	0.33	0.33
Amortization of intangibles	0.04	0.04
Income tax expense	0.65	0.81
Acquisition costs	0.01	0.03
Loss from discontinued operations, net of income taxes	(0.01)	(0.02)
Non-GAAP provision for income taxes	(0.78)	(0.95)
Non-GAAP diluted net income per share	<u>\$ 1.44</u>	<u>\$ 1.76</u>

EXHIBIT G



hope he has
 health insurance!

HealthCare.gov

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Ranch Doesn't
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 Because Ranch...
 By Scott Reitz

Food News

Fort Worth Now Has a Ricky Bobby Sports Saloon That Can't Mention Talladega Nights

By Lauren Drewes Daniels Mon., Jul. 29 2013 at 12:29 PM

7 Comments

Categories: Food News, Openings and Closings

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Ricky Bobby Sports Saloon and Restaurant

The Ricky Bobby Sports Saloon and Restaurant has opened on NE Loop 820 in Fort Worth. This NASCAR-themed restaurant is no Applebee's for darn sure, but it'll do. And since we all watch *Talladega Nights: The Ballad of Ricky Bobby* each and every opportunity we get, we know the wonderful potential a restaurant based on the movie has. This looks like a place Ricky and Cal would be proud of, even if you'll never find them there.

James Watkins is with RCI Incorporated out of Houston, which owns the new restaurant. With the movie being trademarked and all, they can't use direct quotes or anything from the movie, he says. But since proper names can't be trademarked, they used it.

"It's really just a play off things," explains Watkins.

Now Trending



An Ode to the Bad-Weather Delivery Driver



Ranch Doesn't Belong on Pizza, Because Ranch Doesn't Belong on Pizza



The Remaking of Origin Kitchen and Bar

Stories | Conversations

Over half off an Introductory Shooting Class with Six-Guns plus Range Experience

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Around The Web



Angelo Romano
 Village Voice



Ricky Bobby Sports Saloon and Restaurant

There are TVs at almost every table and they'll have a regular rotation of sporting events, including NASCAR, obviously. Watkins says despite the waitress' not especially fabric-filled outfits, they want it to be family-friendly. Ricky Bobby would definitely bring Walker and Texas Ranger.

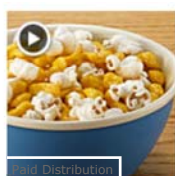
The good folks of Ricky Bobby Sports Saloon posted their menu of Facebook, but it's too small to read. I tried to enlarge it but it got too fuzzy, which is somehow perfect. The food looks gut bomb-ish: Think huge burgers with thick slices of bacon and a sandwich with a knife stabbed through the middle, reminiscent of Ricky Bobby's self-inflicted stab wound to the leg. There's also cotton candy and snow cone treats for adults.

Ricky Bobby has a large outdoor bar space for live music, a decorative waterfall made with car mufflers and chandeliers made with construction lights.

Ricky Bobby Sports Saloon is open 11 a.m. to 2 a.m. seven days a week.

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We Recommend



5 Perfect Paired Snack Recipes You Never Thought Of (Tend)



An Interview with Fritz Rahr of Rahr & Sons Brewing on What's in His Beer Fridge and Advice for Budding Brewers (City of Ate)



It's Fat Tuesday, So Go Eat Some Pancakes (City of Ate)



Wild Salsa, or Komali and Salum Have All Cut Ties with Their Chefs (City of Ate)

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Trader Joe's Opening Soon: Ten Items to Be Excited About
 Miami New Times



Reviewed: Billy G's in Kirkwood
 Riverfront Times

From the Vault



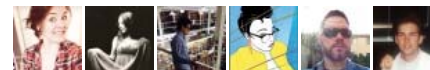
How to Hit On Your Bartender



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J_A_

If you ain't first, you're last

Jul 29, 2013

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Jul 31, 2013

That's likely to be the epitaph of ~~ADVERTISING~~ Sports Saloon.

1 [Like](#) [Reply](#)



JustSaying

So this place is owned by the same company that owns like half a dozen titty bars in DFW. I guess they are finally fighting back after years of area brestaaurants skimming from their talent pool.

Jul 29, 2013

[Like](#) [Reply](#)



Joshstruckoutagain

Methinks a visit is in order..I will file a report later this week.

Jul 29, 2013

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Nictacular

Maybe there's enough of a market for multiple redneck themed restaurants?

Jul 29, 2013

1 [Like](#) [Reply](#)



Joshstruckoutagain

Shoooot fire son, this here is the Great State of Texas..damn right there is!

Jul 29, 2013

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LizardLickReject

I give this place 12-18 months tops...Theme restaurants suck!!

Jul 29, 2013

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EXHIBIT H

Ricky Bobby Sports Saloon & Restaurant Car



EXHIBIT I

Talladega Nights: The Ballad of Ricky Bobby “Me” Comeback Chevrolet Monte Carlo





10/22/2013 14:02



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CENTRAL
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RICKY TIME!!!
11 AM TO 7 PM

Domestic Draft
16oz **\$2.75** 23oz **\$3.75**

Premium Draft
16oz **\$3.75** 23oz **\$4.50**

Wells \$3.00

AND WHATEVER ELSE THE CREW CHIEF WANTS TO
THROW IN FROM TIME TO TIME!



Hurry on up, If you aint first.....
COME SEE THE

**RICKY BOBBY
SMOKIN HOTTIES**

EXHIBIT K



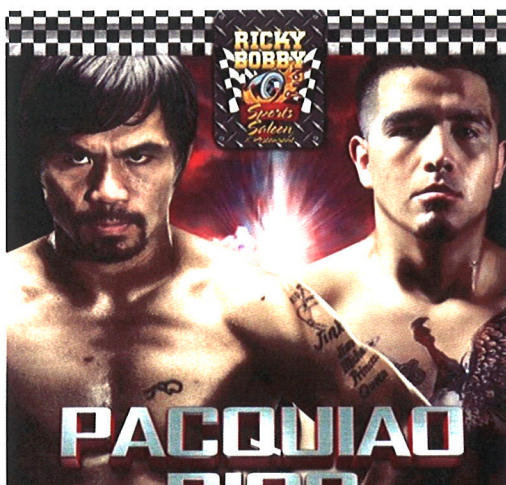
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12 people like this.

Ryan Favreau

Fight Night tonight!
★★★No Cover★★★



The Big Bill Grilled Cheese Burger (top right)
Mario's Chicken Alfredo (bottom left)
(Bottom Right)Speedway Crunch Tenders, full chicken breasts
hand breaded, with our signature Cap'n Crunch and Frosted
Flakes Batter.
You have to try these.

Ricky Bobby Sports Saloon & Restaurant
Like This Page · November 23

Ricky Bobby's Smokin Hottes are ready for tonight !
☆☆☆No Cover for fight Night☆☆☆

Like · Comment · Share

12 people like this.

1 share

Ryan Favreau



November 23 at 7:45pm · Like · 1

Write a comment...

Ricky Bobby Sports Saloon & Restaurant
November 11

Getting Down with NO LIMITS CAR (36 photos)





Like · Comment · Share

4 people like this.



Write a comment...



Ricky Bobby Sports Saloon & Restaurant
November 23

Come See Candace tonight !
Fight Night ! Fight Night ! Fight Night!



Ricky Bobby Sports Saloon & Restaurant
November 23

Shot shots shots!
Everybody!!!



Ricky Bobby Sports Saloon & Restaurant
Like This Page · November 23

Shot shots shots!
Everybody!!!

Like · Comment · Share

13 people like this.



Ryan Favreau



November 24 at 7:12am · Like · 1



Michael Prospect ShortBus I really need to go here to eat. We'll look to. Lol
November 24 at 7:19pm via mobile · Like



Write a comment...



Like · Comment · Share

12 people like this.



November 23

Fight Night tonight!
★★★No Cover★★★



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Home 1



Ricky Bobby Sports Saloon & Restaurant · 3,000 like this

July 14 at 9:12pm ·

Like

Now accepting applications daily on site. Come join the Ricky Bobby Team.
The legend begins!!!

Like · Comment · Share

7

18 people like this.



Robert Debord Will try and make it opening day.

July 15 at 9:05am via mobile · Like · 1



Stacy Howard-Lesinski Welcome to our neighborhood. Shake and Bake

July 15 at 11:13am · Like · 2



Amber Gonzales Are yawl open now?

July 18 at 9:04am via mobile · Like · 1



Tara Shiplett when is opening day

July 21 at 7:00pm via mobile · Like · 1



Traci Carpenter Inquiring minds wanna know - when will you open?

July 21 at 7:27pm via mobile · Like · 1



Ricky Bobby Sports Saloon & Restaurant This Thursday 11 am

July 21 at 9:13pm · Like · 3



Tara Shiplett Whattt! Ill be there!

July 21 at 9:20pm via mobile · Like · 1



Kendra Katastrophic i have to come back with my tabc and food handlers certification to bea host!

July 21 at 9:24pm via mobile · Like · 1



Alyssa Lexie Martinez What is your age requirement to be a host?

July 22 at 2:45pm · Like · 2



Chris Williams What will the staff be dressed in

July 24 at 6:42am via mobile · Like



Tammy Pillow We had a wonderful time last night. The food was awesome and the service was great. Thanks
Ricky Bobby. Patrick and Tammy

October 5 at 12:35pm via mobile · Like



Write a comment...

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